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# DAILY REPORT

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*China*

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FURTHER ON MULTINATION MEETING IN NEW DELHI

## Adviser Discusses Cooperation

OW230927 Beijing XINHUA in English 0823 GMT 23 Feb 82

[Text] New Delhi, February 23 (XINHUA) -- "South-South cooperation is a source of strength to enhance our position in the North-South negotiations and restructure the existing international economic relations, as well as a principal means to eliminate the economic dependence on the developed countries," Shen Jian, special adviser of the Chinese delegation to the "New Delhi consultations," said this morning.

Speaking at the second committee dealing with South-South cooperation, he said: "South-South cooperation and North-South negotiations are two inter-related aspects of the whole process of establishing the new international economic order."

Summarizing the experience of developing countries in South-South cooperation, he said: "The following principles are most important in the conduct of such cooperation: "1. South-South cooperation should be steadfastly oriented towards developing the independent national economies, strengthening collective self-reliance and should be carried out according to the principles of equality and mutual benefit and mutual accommodation.

"2. The general program of South-South cooperation should take into account the different interests and requirements of the developing countries so as to benefit all the participants and give favorable consideration to the special problems of the least developed countries.

"3. The items of the cooperation should be practical, feasible and fruitful so as to give play to the economic advantages of each country and enhance the capability of self-reliance through joint efforts.

"4. Regional, inter-regional and global economic cooperation should promote and complement each other.

"5. South-South cooperation should help to strengthen the unity of the developing countries and their position in the negotiations with the developed countries and should promote the establishment of the new international economic order."

He said he believed that although developing countries have different requirements and viewpoints on certain issues, they are faced with the common task and share the same basic interests, so it [will] not be difficult to bridge their differences.

He said: "China is a developing socialist country belonging to the Third World. In the past, it shared the same historical experience with other developing countries, and now together they are faced with the common tasks. We have always attached importance to South-South cooperation."

In conclusion, he said China "is ready to enlarge such cooperation by opening up new areas and adopting diversified ways of cooperation, bilateral, trilateral, or multilateral."

## RENMIN RIBAO Comments on Talks

HK221209 Beijing RENMIN RIBAO in Chinese 22 Feb 82 p 6

[Commentator's article: "Wishing Success to the South-South Conference in New Delhi"]

[Text] On the initiative of the Indian Prime Minister Mrs Indira Gandhi, delegates from 44 developing countries in the Third World today in New Delhi will hold a South-South conference called the "New Delhi consultations" to discuss ways to promote cooperation among the developing countries (the South), as well as to coordinate the positions of the developing countries on North-South relations. As a specially invited country, China has also sent delegates to attend the conference.

The "New Delhi consultations" are opening at a time when the world economy is further deteriorating and the developing countries are facing grave difficulties such as decreases in raw material prices, revival of protectionism, huge international payments deficits and the rising interest rates for international loans. Practically all these difficulties are the results of the old, irrational international economic order and the serious exploitation still suffered by the Third World countries. Therefore, to open global talks on the reformation of the existing international economic order at an early date is a matter of urgency. It is regrettable, however, that the 36th UN General Assembly Session failed to reach agreement on the opening of global talks due to the continued reservation of the United States. There was a sharp encounter at the UN session between a comprehensive proposal made by the "Group of 77" for holding global talks immediately and the U.S. proposal to hold a preparatory meeting. In face of the deadlock, there were also differences among the developing countries on whether to have immediate global talks or to seek solutions to certain specific problems as a first step. Thus, coordination of positions at future North-South dialogue by the developing countries and the forging of closer unity by adhering to the principle of striving for a new international economic order on the one hand and giving special consideration to certain pressing problems of the developing countries on the other have become major tasks of the New Delhi consultations.

A more important task of the conference is to promote further and still closer South-South cooperation in a big way. In solving the existing problems, the practice of close economic cooperation among the developing countries and the promotion of the economic independence of each and the collective self-reliance of all is fundamental, because this is what the development of history calls for. Promotion of South-South cooperation is not only the most effective way, at present, to shake off the traditional economic dependence of the developing countries on the developed countries; it will also gradually bring about a fundamental change in the existing international economic order and help to strengthen the positions of the developing countries in negotiating with the developed countries.

However, promoting South-South cooperation is no easy undertaking, either. Comprising numerous countries and covering a vast area, there are differences in economic status among the developing countries, and many of them still maintain special dependent relationships with some developed countries. This indicates that in promoting South-South cooperation there is still much work to be done in the future. China, as one of the developing countries, has always lent active support to the struggle for restructuring the old international economic order and given first priority to the expansion of collaboration among the developing countries. During the conference, the Chinese delegation will, as always, work for the harmonization of the positions of the developing countries and for their closer unity and cooperation. It will remain committed to the cause of boosting the economies of the Third World countries, and establishing a new international economic order.

STATE DEPARTMENT ADVISER ON SINO-U.S. RELATIONS

HK250344 Beijing XINHUA Domestic Service in Chinese 0705 GMT 24 Feb 82

[Text] Hong Kong, 23 Feb (XINHUA) -- Marshall Green, director of the National Council for U.S.-China Relations and State Department adviser, told XINHUA reporters in Hong Kong yesterday [23 February] that in his opinion, it is absolutely essential to maintain good Sino-U.S. relations, and there is no alternative.

Green said: "Should a serious rift appear in Sino-U.S. relations, that would be a great calamity." He expressed belief that both countries would not like such a situation to take place. He said: "Both of us know that a break in Sino-U.S. relations will only make the Russians happy." He held that the long-existing problems between China and the United States need a considerably long period of time to be solved, as it takes time to cleanse turbid water. Although the water has not been cleansed at present, we have a stage at which each side has important strategic reasons to develop good relations with the other. In addition, there are solid foundations for developing good Sino-U.S. relations in the areas of trade, economics, education, science and technology and so on.

Green said: According to opinion polls, the percentage of Americans who have favorable opinions on China and the Chinese Government recently rose to 79 percent from 26 percent in 1977. The normalization of Sino-U.S. relations has greatly changed the people's attitude.

Talking on the question of Taiwan, Green said: The question of Taiwan is a major one which will be solved sooner or later as time goes by, as solution of the Taiwan question is beneficial to both China and the United States. "We think that the Chinese Government and the authorities in Taiwan Province can come to a certain compromise."

Green has been working in diplomatic circles for a long time. In 1973, he accompanied Nixon during his visit to China as assistant secretary of state for East Asian and Pacific affairs.

REAGAN STATEMENTS ON CENTRAL AMERICA VIEWED

OW250730 Beijing XINHUA in English 0714 GMT 25 Feb 82

[Text] Washington, February 24 (XINHUA) -- U.S. President Ronald Reagan today unveiled an "unprecedented" U.S. military and economic aid program for Central America, a region which he described as the "third border" and "a vital strategic and commercial artery" of the U.S.

In a speech to the Organization of American States here this afternoon, Reagan stressed that the U.S. "will do whatever is prudent and necessary to ensure the peace and security of the Caribbean area." The "security of our neighbors" in this region is "in our own vital interests," he said.

The main points of the program are: Exports, except textiles and apparel, from the area will receive duty-free treatment for 12 years; tax incentives for investment in the area; and a supplemental economic aid of 350 million dollars for those countries "particularly hard hit economically."

Reagan did not specify the "increased security assistance," but, according to a "fact sheet" released by the White House today, he will request an additional 60 million dollars for fiscal 1982, bringing the total up to 172.14 million dollars, as against 50.51 million for the previous fiscal year. "Almost all the military assistance was earmarked for El Salvador," according to a New York TIMES report today. The total economic and military aid for this area would be 996.4 million dollars for the current fiscal year and 770.63 million dollars, with 106.23 million as military aid, were proposed for fiscal 1983, the "fact sheet" disclosed.

The program, yet to be approved by the U.S. Congress, was announced at a time when the political, economic and social situations in this area are rapidly deteriorating, bringing about popular uprisings against the corruptive and repressive regimes, as in El Salvador. The basin countries have been hit by "serious inflation, high unemployment, declining GNP growth, enormous balance of payments deficits and a pressing liquidity crisis" the "fact sheet" acknowledged.

Reagan said the strengthening of the economies of these nations will pay political dividends, but he never strayed far from making sure that all concerned -- including Moscow -- know the economic initiative is put forward under a protective umbrella.

Reagan stressed that since nearly half of U.S. trade, two-thirds of its imported oil and over half of its imported strategic minerals pass through the Panama Canal or the Gulf of Mexico, the Caribbean region is of "vital strategic and commercial" importance to the United States.

Reagan blamed Cuba and the Soviet Union for supporting "violent revolution in Central America." He said they were sponsoring "guerrilla warfare and economic sabotage as part of a campaign to exploit troubles" in the region. "A new kind of colonialism stalks the world today and threatens our hemisphere and has established footholds on American soil for the expansion of its colonialist ambitions." Reagan also said "the dark future is foreshadowed by the poverty and repression of Castro's Cuba." He said: "If we do not act promptly and decisively in defense of freedom, new Cubas will arise from the ruins of today's conflicts." He said he would ask the U.S. Congress to provide increased security assistance "to help governments confronted with aggression from outside their borders to defend themselves."

It is known that the hottest spot of the Caribbean region today is El Salvador, where the guerrillas have been active recently in launching offensives against the civilian-military junta. As the Reagan administration steps up its military aid to the unpopular junta, opposition to U.S. involvement is growing from among the American public. Observers here pointed out that Reagan had to stress the Soviet-Cuban threat, because public opinion against American involvement in El Salvador was so strong that, without drawing attention to the security threat to the region, the additional aid for the Caribbean region may be interpreted by critics as a cover for further commitments to El Salvador. In addition, Reagan's tough rhetoric against the Soviet Union reflected his deep concern over Soviet intervention in Central American affairs and his determination to intensify U.S. rivalry with the Soviet Union for hegemony in the region.

#### U.S. SEEN AS MAIN OBSTACLE TO NORTH-SOUTH TALKS

OW250101 Beijing XINHUA Domestic Service in Chinese 1502 GMT 23 Feb 82

[Text] Beijing, 23 Feb (XINHUA) -- Today, in a commentary entitled "Remove the Stumbling Block to Global Negotiations," XINHUA correspondent Mei Zhenmin writes: Global negotiations for North-South economic relations proposed 3 years ago at a UN General Assembly session have not been held yet. Historical facts and the present situation in the North-South dialogue indicate that the United States has been the main obstacle to breaking the deadlock.

During the 1970's, Western developed countries took a basically similar attitude toward the Third World's call for transforming the established international economic order. At the start, they were opposed to the call. After the Third World scored successes in the 1974 oil crisis, the Western developed countries changed their attitude and agreed to begin a dialogue with the Third World. However, they made this minor compromise only to keep oil prices stable and maintain oil supplies. They still took a tough and intransigent attitude toward the Third World's call for transforming the established international economic order.

In early 1980 differences emerged among the Western developed countries concerning the strategy for North-South economic relations because of growing tension between the North and South and the deepening of the West's economic crises. Western Europe gradually began to recognize the interdependence of the North and South and to associate the solution to the North-South problems with the elimination of the West's economic crisis. This attitude is generally supported by the Second World countries. Presently, only the United States, which regards its economic power as strong, adheres to its inherent position of supremacy. On the question of global negotiations, the United States today continues to insist on the inviolable nature of the powers and functions of the specialized international economic institutions under its control, stressing that the decisions made by these institutions are "final." This is an attempt to abort the global negotiations in all but name. The specialized institutions referred to above are the World Bank, the International Monetary Fund and the General Agreement on Tariffs and Trade, which are regarded by the Third World as the three major pillars of the established international economic order. These institutions, which today have extensive, far-reaching influence on international finance, trade and economic assistance, were founded at the end of World War II or in the early days of the post-war period. They reflected the political and economic balance at that time and the conditions when the "gold dollar empire" dominated the world. They did not and could not reflect the demands of the Third World countries, which only afterward became independent. The controversy between the Third World countries and the United States regarding these institutions is the crux of the question of whether to transform or maintain the established international economic order.

The commentary says: Actually, the U.S. attitude is very unwise. Since the 1970's, the West's dependence on the Third World has increased more and more. The United States and other Western countries would have enormous economic difficulties in the absence of the Third World's vast markets, raw materials and energy resources. Maintaining the established international economic order is disadvantageous to the Third World countries, and shifting economic crises upon them will only harm the Western developed countries in the end.

The question of global negotiations is a subject of discussion at the New Delhi South-South conference, which is attended by over 40 developing countries. It is now time for the United States to listen to the voice of the developing countries and change its position on global negotiations and South-North relations.

I. 25 Feb 82

P R C I N T E R N A T I O N A L A F F A I R S  
S O V I E T U N I O N

C 1

WANG BINGNAN COMMENTS ON SINO-SOVIET RELATIONS

OW251048 Beijing in Russian to the USSR 1800 GMT 24 Feb 82

[Text] Wang Bingnan, president of the Chinese People's Association for Friendship With Foreign Countries, who is visiting Pakistan, spoke on the evening of 23 February at a reception given in his honor by the Pakistani-Chinese Friendship Association. He noted that Chinese-Soviet relations cannot be improved unless the Soviet Union renounces its hegemonist policy of expansion and withdraws its troops from Afghanistan.

Wang Bingnan stated that China's foreign policy is based on the struggle against hegemonism in international affairs and on efforts (?to ensure) peace throughout the world. He emphasized that the Soviet Union, having openly sent troops for aggression against other sovereign states, violated peace in the entire world. No good will come of the Soviet Union's commission of aggression against Afghanistan, Wang Bingnan declared.

VISIT OF SOVIET DELEGATION TO SRV DENOUNCED

HK250938 Beijing RENMIN RIBAO in Chinese 23 Feb 82 p 1

[("International Jottings" article by Xue Yuan [7185 0337]: "Fellow Sufferers")]

[Text] Presently, Nikolay Baybakov, a responsible person connected with Soviet state planning, is leading a delegation visiting Vietnam allegedly to find possible ways to solve Vietnam's economic problems.

Since Vietnam started a war of aggression against Kampuchea, its economy has been in a mess. It has managed to hold out on the sheer strength of a daily supply of \$3 million from the Soviet Union. The way to solve this problem is in fact quite simple. It requires nothing more than the evacuation of the 200,000 aggressor troops from Kampuchea and the abandonment of hegemonist ambitions in Southeast Asia. But the Vietnamese authorities want to have their cake and eat it too. They want to occupy Kampuchea and solve their own economic problems at the same time. The two aims cannot be achieved at the same time. The only way is to find "another possible solution."

The ridiculous part of the whole thing is that, given its expansionist efforts in Africa, the Middle East and the Caribbean region, its invasion of Afghanistan, its support of Vietnam's occupation of Kampuchea and the uncertain situation in Eastern Europe, the Soviet Union has found itself laden with an increasingly heavy burden; but it still is unwilling to give up its ambition of achieving world hegemony. It has ended up being beset with multiple economic difficulties. The Soviet officials in charge of planning have so far failed to find a feasible way to extricate the Soviet Union from its plight. But they have descended upon Vietnam in the role of top-ranking advisers selling their dubious wares. The Soviet Union and Vietnam -- a pair of fellow sufferers -- are taking a leap in the dark like blind men. How can an elder brother who can't hold his own save his troubled younger brother from the abyss?

RENMIN RIBAO ASSESSES SOVIET AGRICULTURE

HK191302 Beijing RENMIN RIBAO in Chinese 16 Feb 82 p 7

[Roundup by Fang Xuan [2455 5503]: "The Grain Problem -- A Major Problem of the Soviet Economy"]

[Text] The communique on the implementation of the 1981 national economic plan recently issued by the Soviet Central Statistical Administration has attracted world attention. People have noticed above all that the Soviet Union, for the first time in many years, has not mentioned its grain output. Obviously, the situation of grain production was far from good.

Last year's grain output was estimated to be 175 million tons, which was 70 million tons, or almost one-third short of the average annual grain output of 238 million to 243 million tons, as specified in the 1981-85 5-year plan. The year 1981 was the third successive year of bad grain harvest in the Soviet Union and saw the lowest grain output since 1976. According to an estimate by Western countries, as a result of the bad grain harvest, the Soviet Union has to import more than 42 million tons of grain in the 1981-82 agricultural year.

An important way to assess the situation of Soviet agriculture is to look at the capacity of its meat production, Western agricultural experts point out. In each of the past few years, the Soviet Union has had to import hundreds of thousands of tons of meat in order to solve the problem of meat supply. In 1980 alone, it imported 800,000 tons of meat and more than 100,000 tons of butter. It has been laid down in the 1981-85 5-year plan that the average annual meat output should reach the level of 17-17.5 million tons. In 1981, however, meat output was 15.2 million tons, lower than the 1978 and 1979 outputs by 200,000 and 400,000 tons respectively. Milk output dropped by a still bigger margin. The 1978-81 output of milk fell from 94.5 million to 88.5 million tons. An important cause was the shortage of fodder. According to the Soviet press, "in many localities, livestock was underfed." The newspaper SOVETSKAYA ROSSIYA reported that in the Altai border areas, there were 750,000 pigs a few years ago, but the number has now been reduced by half as a result of fodder shortage. The Soviet Union has imported large quantities of grain, a great deal of which has been used as fodder. Yet the supply of meat and milk is running short year after year.

The Soviet Union spent a huge sum in foreign exchange for importing large quantities of grain, thereby increasing its financial burden. Leonid Brezhnev admitted at the plenary session of the CPSU Central Committee held in November last year that the food problem had become a central political and economic issue of the Soviet Union. The Soviet Union has successively increased investment in agriculture in each of the 17 years since Brezhnev came to power, but grain output has not increased, and more and more grain has to be imported. Soviet agriculture has ended up in a difficult position for the following reasons:

1. The technical force is weak and the level of mechanization is not high. According to the yearly communique, the Soviet Union produces a great number of farming machines. Statistics show that 4.95 million tractors were allotted to agriculture during the period from 1966 to 1980, but only 967,000 tractors were added for agricultural use during the same period, 87.6 percent of the tractors discarded as useless because they were of poor quality, the rate of damage was high and spare parts were out of stock. Moreover, the tractors were poorly serviced. At present, there are sufficient depots throughout the Soviet Union for accommodating only 23 percent of the big tractors. Most of the tractors are left in the open or by the roadside, exposed to wind and rain. According to statistics collected by the West, the number of tractors produced equals the number of tractors discarded every year in the Soviet Union. That is to say, although new tractors have been produced every year as mentioned in the communique, there has actually been no increase in the number of tractors.
2. Agricultural manpower is insufficient. The Soviet Union is short of manpower and the growth of its urban population cannot meet its needs for industrial and economic development. For this reason, manpower has to be recruited from the rural areas. Moreover, because of the differences between cities and the countryside and the poor living conditions in the countryside, there has been a great influx of rural manpower into the cities. According to incomplete statistics, during the period from 1965 to 1977, 11.2 percent of the rural manpower joined the industrial and other departments in cities, and only the women and the children, as well as the old and the weak, remained in the countryside, so that large numbers of workers have to transferred to the countryside during the main farming season.

According to a recent estimate by a Soviet expert engaged in the study of manpower, the number of people participating in harvesting during the main farming season since 1970 has increased by 140 percent. The Soviet press has pointed out that many farms are short of manpower by 10 to 15 percent, and there is a still greater shortage of young workers. The shortage of tractor operators is still more outstanding. A Soviet economist estimates that at least 8 million tractor operators are needed in the countryside. However, by April 1980, there were only 4.46 million tractor operators. The number of new tractor operators needed was more than 50 percent of the number of tractor operators serving.

3. Agricultural investment yields increasingly worse results. The proportion of agricultural investment increased from 20 percent of the investment in the national economy during the 7th 5-Year Plan period (1961-65) to more than 27 percent during the 10th 5-Year Plan period (1976-80). Investment continued to increase, but the results worsened. The agricultural output value yielded by each ruble invested amounted to 4.54 rubles during the 6th 5-Year Plan period but decreased to 0.67 ruble during the 9th 5-Year Plan period and dropped further to 0.30 ruble during the first 3 years (1976-78) of the 10th 5-Year Plan period. The causes were many, but an important one was that operations and management had been confused for a long time and the investment had not been properly used. The political and economic systems, the systems governing industrial and agricultural management and the agricultural policy were also causes.

4. Waste of farm crops is appalling. According to the British newspaper FINANCIAL TIMES, the amount of grain wasted in the process of drying, transporting and storing on the Soviet collective farms is at least as great as the amount of grain imported. The Soviet journal VOPROSY EKONOMIKI also said that "loss of fodder grain caused by mishandling may be as high as 20 to 30 percent, or reach 35 million to 40 million tons."

5. Weather can also be called a cause of the difficulties in Soviet agriculture. In the Soviet Union, 40 percent of the farmland is located in arid areas, and several major agricultural regions have received very little rain. Therefore, drought has long been a formidable enemy of Soviet agriculture, but the Soviet authorities can do nothing about it. At present, irrigated farmland accounts for only 7.1 percent of the total area of farmland in the Soviet Union, and people depend chiefly on weather conditions for food. Grain output fluctuates with weather, but many of the past years have seen bad harvests. Take the 1970's, for example. Bumper harvests were reaped in 3 years, normal harvests in 2 years and bad harvests in 5 years. In the year 1975, which saw the worst harvest, only 140 million tons of grain were reaped, whereas in 1978, which was a good year, 237 million tons of grain were harvested. The difference in grain output between a good and a bad year was about 100 million tons. Such a big difference was unprecedented in the history of world agriculture.

Backwardness in agriculture has been a knotty problem for the Soviet authorities. In the past 2 years, especially since the 26th CPSU Congress, the Soviet Union has drawn up a number of measures for developing agriculture. The purpose of these measures is chiefly to formulate and carry out the program of food production, to make overall arrangements for strengthening the various links of work in the agricultural and industrial complexes, to further improve the systems governing agricultural management, to give the state farms greater decision-making power, to relax the restrictions on private sideline production, to support private sideline production and so forth. Despite these measures, the Soviet authorities have devoted their energies to arms expansion and invasion of Afghanistan. They have also spent huge sums of money on "aid" to Vietnam and other countries every year. In addition, the Soviet Union has always had the defect of developing industry at the expense of agriculture. Therefore, it is no easy job for the Soviet Union to develop its agriculture and "basically solve" its grain problem, and this job cannot be done in a few years.

BEIJING TV SHOWS DENG, KHIEU SAMPHAN MEETING

HK250320 [Editorial Report] Beijing Domestic Television Service in Mandarin at 1100 GMT on 24 February carries as the first item of its newscast a half-minute filmed report on Deng Xiaoping's meeting with Khieu Samphan in Beijing on 24 February.

The film opens with a shot of Deng in a reception room embracing and shaking hands with Khieu Samphan and his entourage as they come into the room. This is followed by a closeup of the two leaders speaking to each other. At the end of the film the camera pans to show the members of the Kampuchean delegation, who were taking notes of the conversation.

The text of the film's narration is as follows: "CCP Vice Chairman Deng Xiaoping this morning met and had a sincere and friendly conversation with Khieu Samphan, president of the State Presidium and prime minister of Democratic Kampuchea and all members of the Democratic Kampuchean delegation led by him. Deng Xiaoping congratulated Prime Minister Khieu Samphan on the results of his talks with Prince Sihanouk and hoped that all the patriotic forces in Kampuchea would unite to fight for a victory in the struggle against Vietnam."

VIGILANCE AGAINST HANOI'S 'SIREN SONGS' URGED

HK210745 Beijing RENMIN RIBAO in Chinese 21 Feb 82 p 6

[Commentator's article: "Be Vigilant Against Hanoi's Song"]

[Text] The joint communique issued by the so-called foreign ministers conference of Vietnam, Laos and the Kampuchean puppets makes strenuous efforts to sow discord between ASEAN and China, babbling that China is "inciting hostility between Indochina and ASEAN," and that the current Indochina crisis "lies not in differences between ASEAN and the Indochina states," but in China's policy of "aggression and interference." The aim of the Hanoi authorities in leading this hackneyed tune about the so-called "China threat" is to describe the Kampuchea problem as a regional issue, an issue that can be solved through "dialogue" and "contacts" between Vietnam and ASEAN, and an issue resulting from China's "aggression and interference" and which was "stirred up" by China, in order to succeed in luring ASEAN into accepting Hanoi's aggression and occupation of Kampuchea as a fait accompli and sow discord between China and ASEAN. This is an extremely sinister trick.

Is the Kampuchean problem just a regional issue and an issue of differences between ASEAN and the so-called Indochina states? Certainly not. Vietnam's invasion and occupation of Kampuchea is a matter of one country openly using armed force to annex another independent country. If this brazen aggression is allowed to succeed, international order will fall into great confusion. It is precisely for this reason that international opinion has condemned the Vietnamese authorities in such strong terms and that the General Assembly has repeatedly passed resolutions demanding the unconditional and total withdrawal of Vietnamese troops from Kampuchea. If the Kampuchea problem is to be reduced to a regional issue and a "difference of opinion," the prestige of the United Nations will be ruined; the Soviet Union will be able to use this as a precedent for legitimizing its invasion of Afghanistan; and imperialism, hegemonism and colonialism will be able to follow this precedent and stage a comeback. Therefore, the Kampuchean problem is an issue related to the global situation, and needs to be solved from a global and historical angle. There is no way the Hanoi authorities can attempt to reduce the Kampuchea affair from large to small and from small to nothing.

The Kampuchea problem was not "stirred up" by China; it was caused by the Vietnamese action of invading and occupying the country. The "antagonism" between Vietnam and ASEAN is caused by the threat to ASEAN's security posed by Vietnam's invasion and occupation of Kampuchea.

This threat is a very real one, as Thailand knows most clearly. How was this "stirred up" by China? Hanoi's aim in saying this is to make ASEAN believe that Vietnam's aggression and expansion will go no further than Kampuchea and that it certainly poses no threat to ASEAN. But which aggressor in history ever announced in advance how far it was going before stopping? They always take a step forward, look around, wait for the right conditions and take another step when conditions are ripe, carrying out step-by-step aggression and expansion. Hitler began by occupying the Sudetenland, and advanced step by step to invading the Soviet Union. This is a very good example. Unless the aggressors are resolutely halted after their first step, it is very hard to prevent them from taking a second step. That the Vietnamese authorities are doing everything possible to lure SWR into accepting their invasion and occupation of Kampuchea as a fait accompli precisely proves that they want to create the precedent for taking the next step - and the next step is to stride into ASEAN.

China is a socialist country that has gained independence from its semi-colonial status. It seeks no hegemony anywhere in the world, including Southeast Asia, nor does it seek any sphere of influence. It is the Soviet Union that has taken the opportunity afforded by Vietnam's invasion and occupation of Kampuchea to expand its strength, and the Soviet warships coming and going in Danang, Cam Ranh Bay and the Gulf of Thailand are proof of this. China supports the anti-Vietnamese struggle of the Kampuchean people and the struggle of the ASEAN peoples to preserve their national independence in order to preserve its own security and the peace and security of Southeast Asia. This is the proper mutual support and cooperation between Asian countries for the sake of preserving their independence and security; it is an open and aboveboard affair. In calling this "aggression and interference," the Vietnamese authorities are aiming first to cover up, by slandering China, the aggression and interference carried out by Vietnam and the Soviet Union, and second to give people the illusion that as long as China does not oppose their aggression against Kampuchea (as they would put it, as long as China does not engage in "aggression and interference"), there is no need for them to rely on Soviet support, and thus ASEAN would not be threatened by the Soviet Union. However, Vietnamese dependence on the Soviet Union has already become the national policy, and it is also set down in treaty form. This is determined by their needs in pursuing regional hegemonism. Vietnam can only get out of the Soviet embrace by abandoning its regional hegemonist ambitions, and the test of whether it will abandon these ambitions is whether it will withdraw its forces from Kampuchea. Vietnam is currently trying hard to legitimize its invasion and occupation of Kampuchea in order to provide an example for the Soviet Union in legitimizing its invasion and occupation of Afghanistan. This shows that, for the sake of preserving their aggressive interests, they certainly cannot split up, but will collude still more closely.

The current international situation is extremely complex. There are many twists and turns along the road to solving the Kampuchea problem. The joint communique of the so-called three Indochina countries' foreign ministers conference tells everyone who is concerned for the peace and security of Southeast Asia that it is essential to maintain high vigilance against the siren songs from Hanoi.

FURTHER REPORTS ON ROMANIAN DELEGATION'S VISIT

## Hu Yaobang-Burtica Meeting

OW241612 Beijing XINHUA in English 1558 GMT 24 Feb 82

[Text] Beijing, February 24 (XINHUA) -- Relations between the Communist Parties and the nations of China and Romania are excellent and have withstood tests, said Hu Yaobang, chairman of the Chinese Communist Party Central Committee, here this afternoon. Chairman Hu also said that the Chinese party and state leaders pay special attention to the continuous development of friendly cooperation with Romania.

Hu made the comments at his meeting in Zhongnanhai, headquarters of the Central Committee of the CCP, with Cornel Burtica, member of the Executive Political Committee of the Romanian Communist Party Central Committee, deputy-premier and minister of foreign trade and international economic cooperation.

Deputy-Premier Burtica said at the meeting that his visit to China has been very successful. "We have discussed with Chinese leaders the further development of economic cooperation between Romania and China. We both are determined to broaden this cooperation," he said.

Hu Yaobang said the key to broadening China-Romania economic cooperation lies in opening up new fields. He expressed the hope that with the concerted efforts of both sides, economic cooperation between the two countries can be greatly promoted.

Also present at the meeting were Zheng Tuobin, foreign trade minister; Zhang Canming, deputy foreign minister; and Florea Dumitrescu, Romanian ambassador to China.

## Bucharest Radio on Meeting

AU241446 Bucharest Domestic Service in Romanian 1400 GMT 24 Feb 82

[Text] Comrade Hu Yaobang, chairman of the CCP Central Committee, received in Beijing Comrade Cornel Burtica, member of the Political Executive Committee of the Romanian Communist Party [RCP] Central Committee and deputy prime minister of the Socialist Republic of Romania, who is on a visit to the PRC as leader of a government economic delegation.

On behalf of Comrade Nicolae Ceausescu, RCP Secretary General and president of the Socialist Republic of Romania, friendly greetings and wishes for good health were extended to Chairman Hu Yaobang, as well as wishes for new successes in his highly responsible activities. Comrade Hu Yaobang expressed thanks and, in turn, conveyed cordial greetings and wishes for good health and great work energy to Comrade Nicolae Ceausescu.

During the meeting, the two sides stressed the constant relations of close friendship and cooperation between the two parties, countries and peoples. They stressed their desire to develop Romanian-PRC relations at various levels and, within this framework, mentioned the need to seek new ways and means to better capitalize on opportunities of bilateral cooperation and collaboration in the economic, technical and scientific fields. They also discussed certain matters pertaining to the current international situation.

The meeting took place in a warm and friendly atmosphere.

## Gu Mu at Reception

OW241540 Beijing XINHUA in English 1512 GMT 24 Feb 82

[Text] Beijing, February 24 (XINHUA) -- Florea Dumitrescu, Romanian ambassador to China, and Mrs. Dumitrescu gave a dinner in the embassy today in honour of Deputy-Premier Cornel Burtica, who is visiting China.

Among the Chinese guests were Vice-Premier Gu Mu, Minister Zheng Tuobin and Vice-Minister Chen Jie of foreign trade and Zhang Canming, vice-minister of foreign affairs.

DENG XIAOPING MEETS MOROCCAN PRIME MINISTER

OW250818 Beijing XINHUA in English 0808 GMT 25 Feb 82

[Text] Beijing, February 25 (XINHUA) -- Deng Xiaoping, vice-chairman of the Chinese Communist Party Central Committee, today met in the Great Hall of the People with Moroccan Prime Minister Maati Bouabid and his party.

The vice-chairman said China will maintain its policy of opening to the outside world, saying, "We will introduce advanced technology and managerial experience and encourage foreign investment, but corruption, bribery, smuggling and other harmful and decadent things must not be imported."

Vice-Chairman Deng said harmful foreign influences may also come in the wake of the open-door policy. "We must eliminate these influences," he said. "We must be sober-minded in this regard and adopt practical and effective measures or mete out severe legal punishment. While dealing with the harmful things, we should foster ethics and educate young people that they should have ideals, moral integrity, discipline and courtesy and work hard."

He said: "Everyone should have patriotism and national dignity that are closely related with the four modernizations."

The vice-chairman briefed the guests on China's current simplification of government structure. "The reform is going quite well, more smoothly than expected. We have unanimous views on this issue. Our veteran cadres and comrades agree on the simplification in the long-term interests of the country," he said.

Referring to China's position on international issues, Deng Xiaoping said in the present turbulent situation it is important to foster coordination and cooperation among Third World countries. China's policy is to strengthen cooperation among developing countries. "Our two countries," he said to Bouabid, "share identical views on many issues. This is the basis for friendship between us."

Bouabid said: "Through talks with the Chinese side we have found identical views on many international issues. Relations between Morocco and China are developing on the correct road."

The Moroccan prime minister said: "We appreciate the wise and realistic policies adopted by Chinese leaders in solving their internal problems. Though China is now confronted with some difficulties, I believe the industrious and valiant Chinese people will surmount all of them."

Present were Chinese Vice-Premier and Foreign Minister Huang Hua, Vice-Minister of Foreign Affairs He Ying and Moroccan Ambassador to China Abderrahim Harkett.

MILITARY DELEGATION LEAVES FOR AFRICA TRIP

OW231642 Beijing XINHUA in English 1630 GMT 23 Feb 82

[Text] Beijing, February 23 (XINHUA) -- A Chinese military delegation led by Liu Kai, assistant to the chief of the General Staff of the Chinese People's Liberation Army, left here this evening for a visit to Senegal, Mali and Togo.

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C H I N A  
PRC NATIONAL AFFAIRS

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PLA SENIOR CADRES STUDY MAO'S MILITARY WRITINGS

OW250116 Beijing XINHUA Domestic Service in Chinese 1138 GMT 24 Feb 82

[Text] Beijing, 24 Feb (XINHUA) -- Organs under the PLA General Headquarters have organized senior army cadres currently in Beijing to study the "Selected Military Writings of Mao Zedong." Song Shilun, commandant of the Academy of Military Science of the PLA, gave the first supplemental lecture to the cadres on 24 February.

The "Selected Military Writings of Mao Zedong" was compiled by the Academy of Military Science of the PLA and, after review and approval by the party Central Committee and its Military Commission, was recently published within the army. Collected in the book are some of the important military documents written by Comrade Mao Zedong between 1927 and 1958, including several hundred cables drafted by him for organizing and directing major military operations. Most of the writings had never been published. The party Central Committee's Military Commission has designated the book as required reading for senior cadres in the whole army in studying military affairs.

Song Shilun's lecture expounded, in particular, the significance of publishing and studying the "Selected Military Writings of Mao Zedong." He said: One of the important factors for the victory in China's revolutionary war was the guidance of a correct military theory. This advanced military theory, generally called Mao Zedong military thinking, is a crystallization of the collective wisdom of our party. Together with the previously published military writings of Comrade Mao Zedong, the "Selected Military Writings of Mao Zedong" can more comprehensively and accurately reflect every aspect of Mao Zedong military thinking as a system. The publication of the book has given an impetus to the research on military theory in our country. Song Shilun also explained, in the light of the content of the "Selected Military Writings of Mao Zedong," some major military theoretical questions not included in Comrade Mao Zedong's military writings which had already been published, as well as military dialectics concerning guidance in strategy.

In his speech, Deputy Chief of General Staff Zhang Zhen said: The manuscripts of the "Selected Military Writings of Mao Zedong" is a valuable asset of our party and army. The purpose of studying the book is to master the application of the standpoint, view and method of Mao Zedong military thinking to the solution of a series of major problems in building the army and conducting operations under modern conditions and to inherit and develop Mao Zedong military thinking under the new historical condition. In the future war against aggression, we still need to rely on Mao Zedong military thinking to win victory. Senior cadres in the whole army must set an example in thoroughly studying the book.

The study of military theory by senior cadres in Beijing in an organized way was started in 1979. So far, they have studied knowledge on modern military science and technology, conditions of foreign armies and some questions concerning operations in future war.

PLA POLITICAL DEPARTMENT SETS COURTESY MONTH

OW250345 Beijing XINHUA Domestic Service in Chinese 1434 GMT 23 Feb 82

[Text] Beijing, 23 Feb (XINHUA) -- The PLA General Political Department has issued a circular calling on commanders and fighters of the whole army to earnestly participate in activities during the "all-people decorum and courtesy month" and strive to be pace setters in building socialist spiritual civilization.

The circular says: The Secretariat of the CCP Central Committee has approved designation of March each year as the "all-people decorum and courtesy month" and called on all party members, CYL members and state cadres to certainly act as models in activities to build spiritual civilization so as to bring about a noticeable change in the party style and the work style among cadres. Comrades of the whole army should give an enthusiastic response to this call and rise to action in earnest.

The circular puts forth the following demands to army units with regard to their participation in the "all-people decorum and courtesy month" activities:

1. Propaganda and education on the building of socialist spiritual civilization and on developing the "all-people decorum and courtesy month" activities should be intensified. All army units should give wide publicity to the strategic significance of building socialist spiritual civilization and to problems to be solved in particular during the "all-people decorum and courtesy month" activities this year so that the demands of the central authorities are made known to every household and will strike root in the hearts of the people to be the conscious action on the part of the commanders and fighters in a sustained way.
2. Prompt action should be taken to actively participate in the "all-people decorum and courtesy month" activities and to act as models. All army units should launch a patriotic health campaign and tree-planting and afforestation activities in earnest and to make the barracks areas [ying qu 3602 0575] and their surroundings clean, green and beautiful. It is necessary to strictly abide by the army units' routine service regulations and rules, to maintain good order in the barracks areas and to conscientiously observe traffic rules and other regulations in public places. It is essential to earnestly strengthen the unity among army units and army-government as well as army-people unity and to show civility and courtesy at all times and in all places. All military subdistricts and people's armed forces departments should actively organize and mobilize the broad masses of militiamen to take part in these activities.
3. Energetic efforts should be made to make the "all-people decorum and courtesy month" activities a success by working in coordination with local authorities. All localities where the army units are stationed must bring about bigger changes in the appearance of nooks and crannies and sectors that are not rated as being up to sanitation standards; army units stationed in national minority areas must respect local customs and habits; army units stationed in cities and towns, particularly those stationed in large cities, should pay special attention in order to achieve results.
4. Leadership and political organs at all levels should put forth specific demands and adopt practical measures for solving problems that need to be solved in particular during the "all-people decorum and courtesy month" activities. Leading cadres at all levels should set an example, supervise and inspect the work, sum up experience and commend the advanced units in a timely manner in order to make the "all-people decorum and courtesy month" activities more solid and highly effective in promoting the army units to step up the building of socialist spiritual civilization.

#### ENERGY CONSERVATION URGED AT TIANJIN CONFERENCE

OW241415 Beijing XINHUA Domestic Service in Chinese 1301 GMT 22 Feb 82

[Text] Tianjin, 22 Feb (XINHUA) -- It has been reported at the national industrial and communications work conference now being held in Tianjin that in 1981 our country's industrial and transport enterprises conserved energy equivalent to 24 million dun of standard coal, or the output of more than 20 large coal mines in 1 year. The conference pointed out, however, that conservation must be further intensified as many enterprises are still consuming and wasting too much energy, and that efforts must be made to achieve a situation of developing production while maintaining or decreasing the level of energy consumption.

Thanks to the use of gangues and bone coal, our country's construction material industry conserved 3 million dun of standard coal in 1981. By streamlining management and enforcing conservation, enterprises directly under the Ministry of Power Industry conserved 1.39 million dun of coal in 1981 by reducing consumption of standard coal for generating each kWh of electricity by 6 grams compared with the previous year. Energy consumption also dropped in the iron and steel industry and in the railway transport department. Statistics show that, although the nation's total energy output in 1981 was 1.4 percent lower than in 1980, the needs of industrial production, which increased by 4 percent, were met. This shows that production growth and energy conservation can be achieved at the same time.

While assessing positively last year's achievements in energy conservation, the cadres of industrial and transport departments from various parts of the country also pointed out that there still has not been a fundamentally favorable turn in the situation of high energy consumption in our country's industrial production. They say that 80 percent of the total energy conserved in 1981 was in fact due to the development of light industry and the curtailment of production of certain heavy industrial products which require a great amount of energy to produce. In other words, only 20 percent of the energy conserved could actually be attributed to conservation and reduced per unit energy consumption. They pointed out that the problem of energy shortage will be even more prominent this year because, according to the state plan, energy output this year will be an equivalent of 2 million dun of standard coal lower than in 1981. For this reason, we must be more resolute in tapping potentials and conserving energy in order to ensure the needs of developing production.

Through discussion, the meeting decided that efforts must be made to conserve 20 million dun of standard coal this year, with emphasis given to lowering per unit energy consumption. It said that all areas must set, for the various trades and professions, advanced average quotas for oil, coal, electricity and water consumption and evaluate their performance according to how these quotas are met. Electricity should be allocated according to plan in the various provinces, municipalities and autonomous regions. In allocating electricity quotas, attention must first be given to major industries with consideration given to ordinary consumers. For those enterprises that produce similar products, electricity must first be allocated to those enterprises that consume less energy and produce low-cost and marketable quality products. Where there is an energy shortage, the operation of homemade coking furnaces, small oil refineries, small carbide plants, small aluminum plants and small iron works, which consume a great deal of energy, must be suspended, and iron alloy production, aluminum electrolysis and carbide production readjusted or curtailed. All areas, while reorganizing their enterprises, must make earnest efforts to stop wasting energy and limit the development of those communes and brigade-run industries that consume a great amount of energy.

#### Shandong Successes Viewed

OW241321 Beijing XINHUA Domestic Service in Chinese 1424 GMT 23 Feb 82

[Excerpts] Tianjin, 23 Feb (XINHUA) --In the course of perfecting the economic responsibility system in industrial production, Shandong Province has achieved noticeable successes in five areas. These achievements, reported at the national industrial and communications conference called by the State Council, have attracted wide attention and received favorable comment. These achievements are:

1. Production development: After adopting the economic responsibility system, the total output value of state-owned industrial enterprises operating under the provincial budget for the period from May to December showed an average increase of 10.2 percent over the first 4 months.
2. Quality improvement: A total of 24 products in the province won national gold and silver trophies last year for fine quality.
3. Reduced energy consumption: Energy consumption for industrial production in the whole province dropped 5.5 percent as compared with the previous year.
4. Greater profits for the state treasury: The amount of profits delivered monthly to the state after the economic responsibility system was introduced showed an average increase of 38.1 percent.
5. Better relations between the state, enterprises, and staff and workers. Last year, workers got 7.8 percent of the total amount of profits made by industries throughout the province, while enterprises got 13.9 percent. These percentages were lower than those in the previous year. However, last year the state got 78.3 percent of the total amount of profits made by industries throughout the province compared with 76.3 percent in the previous year.

Explaining these achievements at the conference, Shandong Vice Governor Liu Peng said: The economic responsibility system in industry has certainly played an important role in enlivening the economy as well as in increasing production and income. He also pointed out that the achievements should also be attributed to the continuous summing up of experience and perfection of the economic responsibility system. Liu Peng said the economic responsibility system in industrial production in Shandong Province is still in the stage of studying existing problems. The attitude of the workers and staff is that the orientation of reform should be upheld unswervingly and that problems should be acknowledged squarely without covering up any shortcomings whatsoever. They are now getting ready to strengthen the planned management of enterprises in coordination with the overall reorganization of enterprises so as to further perfect the economic responsibility system.

#### YANG JINGREN ATTENDS TIBETAN NEW YEAR FETE

OW250125 Beijing XINHUA Domestic Service in Chinese 1447 GMT 24 Feb 82

[Excerpts] Beijing, 24 Feb (XINHUA) -- More than 700 Tibetan compatriots in Beijing today celebrated the Tibetan New Year at the Central Nationalities Institute.

Attending the celebration gathering were Banqen Erdini Qoigyi Gyancan, vice chairman of the NPC Standing Committee; and Yang Jingren, vice premier of the State Council. In his speech, Banqen Erdini Qoigyi Gyancan wished everyone a happy new year and urged those present to work and study hard and be models in building socialist material and spiritual civilization and in promoting the unity of nationalities.

Also present at the gathering were responsible persons of departments concerned and well-known public figures Ping-cuo-wang-jie, Yang Dongsheng, Zhang Zhiyi, Ping Jiesan, Jiang Ping, Wen Zhengyi and responsible cadres of the Xizang Autonomous Region in Beijing including Guo Xilan, Ba Sang, Chen Jingbo, Duo-jie-cai-dan and Zheng Ying.

A literary and art program was presented by Tibetan students to the nationalities institute.

#### CIRCULAR HITS ILL TRENDS IN FERTILIZER SUPPLY

OW241225 Beijing XINHUA Domestic Service in Chinese 1233 GMT 23 Feb 82

[Text] Beijing, 23 Feb (XINHUA) -- The All-China Federation of Supply and Marketing Cooperatives recently issued a circular asking all supply and marketing cooperatives in the various provinces, municipalities and autonomous regions to firmly correct unhealthy practices in chemical fertilizer management.

The circular says: Serious unhealthy practices in chemical fertilizer management have appeared in many localities. The main manifestations are that some leaders ignore the state plan and approve the unauthorized supply of fertilizers, thereby affecting the realization of distribution plans. Some cadres and workers use their power and positions to purchase quality fertilizers for their own use. Some units trade fertilizers for other products in violation of policy and engage in other illicit transactions. Some units raise the price of fertilizers produced according to the state plan to seek profits. Some cadres and workers collude with people outside their units to engage in speculation and other illegal activities.

The circular points out: The activities mentioned above are a violation of policy and disrupt our plans. They harm the masses' interest, arouse their resentment and seriously affect the relations between the party and the people. They must be firmly corrected.

The circular contains the following five-point instruction:

1. Supply and marketing cooperatives at all levels should immediately conduct serious investigation to uncover unhealthy practices in fertilizer management and, through such investigation, educate the broad masses of cadres and workers in observing law and discipline.

Leading cadres must play their exemplary role well, impose strict demands on themselves, earnestly implement policy and strictly abide by the system. Individuals are not permitted to grant approvals. In dealing with approvals granted by leading persons of other departments, it is necessary to explain the situation to them and to refuse to sell. Cadres and workers of supply and marketing cooperatives who wish to purchase chemical fertilizers themselves must be treated in the same way as ordinary peasants, and actions must be taken according to existing rules and regulations. They are not allowed to make use of their positions to buy more high-quality fertilizers, nor are they allowed to buy fertilizers ahead of others. The erroneous saying, "whoever is in a favored position has the advantage" should be resolutely corrected.

2. Strengthen planned management and stick to established plans in fertilizer supply. It is necessary to strictly implement the policy and regulations of the state, and adopt effective measures such as selling fertilizer on the basis of coupons and ensure that such coupons are being honored. The various standards set by the state must be made public to the masses so that they will be able to supervise the enforcement of such standards.

3. Firmly enforce the State Council's circular on stabilizing market prices. All chemical fertilizers supplied under the state plan must be sold at the prices set by the state. No one is allowed to inflate prices at will. It is forbidden to treat chemical fertilizers supplied under the state plan as fertilizers supplied outside of the state plan and to sell them at high prices.

4. Strictly ban all illicit transactions, including the use of chemical fertilizers to trade for cars and other goods. The leading organs and relevant personnel will be held responsible and seriously dealt with if such illicit transactions are discovered.

5. Tighten market management in coordination with the departments concerned to strike at speculation. People who collude with each other to engage in speculation and profiteering activities will be sternly dealt with according to law.

#### WORK OF STUDENT UNIONS AT PRC COLLEGES EXPLAINED

OW241327 Beijing XINHUA in English 0715 GMT 23 Feb 82

[Text] Beijing, February 23 (XINHUA) -- The All-China Student Federation is playing a role of growing importance for college students, said Lin Yanzhi, chairman of the federation in a recent interview.

As the students' own organization, it helps with every aspect of student life and acts as a bridge between the university authorities and the student body.

The chairmen of the student unions in China's major universities head the national federation in rotation. The present term belongs to Qinghua where Lin Yanzhi is studying.

Giving a recent example of how the Qinghua student union operates, Lin Yanzhi recalls that the university authorities not long ago asked the union to discuss how a state appropriation of 300,000 yuan should be used. After much discussion, the students decided on building more shower facilities, a music room and more bicycles sheds.

Most student unions are similarly run. During the last annual election at the student union of the Central China School of Mines, the students tabled over 1,000 motions at the student congress. Then a meeting was chaired by president of the school, attended by the student union members and executives of every department, including those of the student mess hall and library. Many of the issues were settled then and there. For instance, the students wanted a skating rink. The finance section made a calculation on the spot and submitted the figure to the meeting which approved the suggestion. The construction section started working on it that very week.

Of course not all items went that smoothly. T.V. sets were promised to the students but they had to wait for several months.

The student union publishes a bulletin that tells of its progress and also provides a place for the students to air their views.

Another major task is extracurricular activities. Topping the list is sports. Ball games are constantly held between classes, departments and colleges while track and field meets are held once a year. Preparations for such events promote sports throughout the year.

The student union also organizes foreign language parties at which students sing, put on plays and try to solve riddles all in the language (?they are) studying, including English, Japanese, German, French and Russian.

Liu Hongjun, a leader of the student union of Jinan University in Gangzhou, reported that one third of the students of Jinan University come from Southeast Asia, and Hong Kong and Macao. Seventy percent of the union officials are overseas students. At first, these students tend to view the university authorities as the opposition. But gradually their attitudes change with experience. Last year alone, the student set-up in Liu Hongjun's department of journalism solved over one hundred problems with the help of the university authorities.

#### HONGQI ON ATTITUDE TOWARD PARTY'S ERRORS

HK191510 Beijing HONGQI in Chinese No 3, 1 Feb 82 pp 42-45

[Article by Li Mingsan [2621 2494 0005] and Guo Dehong [6753 1795 1347]: "What Should Be Our Attitude Toward the Party's Making Mistakes?"]

[Text] Guiding the Chinese people in carrying out socialist revolution and socialist construction over the past 32 years, our party has scored remarkable achievements and at the same time, it has made mistakes, particularly mistakes such as the "Great Cultural Revolution" which has had a long-term and overall significance. How to correctly view our party's committing mistakes has become very important question. By means of studying the "Resolution on Certain Questions in the History of Our Party Since the Founding of the People's Republic of China" adopted at the sixth plenary session, the broad masses of party members, cadres and people have been educated and encouraged to adopt a positive approach to help the party sum up historical lessons and be united to struggle for realizing the four modernizations. However, some comrades hold a different attitude. Whenever they see that the party has made mistakes, they begin to lose their confidence in the party's ability to lead the people to construct a strong and prosperous state and even spread the passive attitude of waning confidence among the people. Some of them even go as far as to exaggerate the party's mistakes and allege that they manifest the main trend of the party's work. There are some others who willingly vilify the party, claiming that it has made mistakes in order to shake off party leadership. These questions are worth great attention, and we should seriously deal with them.

Marxism told us that it is unavoidable for any individual or any political party to make mistakes. There has never been a political party which is free from mistakes. Whether a political party is great, glorious and correct does not depend on whether or not it has made mistakes but on what mistakes it has made and what attitude it has taken toward the mistakes. In other words, we must first make clear the nature of the mistakes. In a broad sense, there are two kinds: First there are those which people make in propelling history forward and which are correctable. Second there are those which people make in achieving their reactionary goal to prevent history from advancing, and which are irremediable. In order to safeguard their own reactionary rule, the exploiting class rulers in successive dynasties, when trying to put the clock back, opposed the people by every means. Their mistakes were irremediable and they were bound to be destroyed.

The mistakes which our party made are completely different from theirs. As ours are the ones which emerged in the course of advancing and probing, they can be corrected as soon as they are found. It is very important to classify mistakes by their nature. In talking about Luxemburg's shortcomings and mistakes, Lenin quoted a fable by Krylov which pointed out that an eagle sometimes flies even lower than a chicken, whereas a chicken can never fly as high as an eagle. Lu Xun also said, "A fighter with shortcomings remains a fighter, while a perfect fly is after all nothing more than a fly." ("Collected Works of Lu Xun," vol 3, p 30) All these metaphors can be applied to the case of our party as well. Being an old man who has witnessed the rise and fall of several dynasties and has rich experience, Hu Juewen, vice chairman of the Standing Committee of the National People's Congress, talked about the mistakes of our party in the light of his own experiences obtained in both the old and new societies. He said, "There is no doubt that the CCP and the people's government have made mistakes; however, compared with what the rulers of old China had done, the nature of their respective mistakes cannot be mentioned in the same breath. What especially gratifies, moves and inspires us is that the CCP and the people's government, after having summed up and taken lessons from past experiences, distinguished right from wrong in their guiding ideology, are taking a more and more conscientious attitude toward the shortcomings and mistakes emerging in the course of work." His is an objective and fair appraisal.

In the second place, we must make clear whether the mistakes were the principal or secondary aspect of our party's work. If on the whole, what a party has not done are not good deeds but has made mistakes and it has brought not welfare but catastrophes to the state and the people, of course it can hardly be called great, glorious and correct. Nevertheless, the mistakes which our party made were only in the secondary and minor aspect of its work, and the great achievements that our party made during the period of democratic revolution are extensively recognized all over the world. Although we have made quite a few mistakes during the last 32 years since the founding of the PRC, the achievements we have made were the principal aspect of our work. We have successfully eliminated the system of exploitation, established the socialist system and thus completed the most profound and greatest social change in our country's history. From the shambles left by old China, we have built up step-by-step an independent and relatively complete industrial system and national economic system. In 1980, the total industrial output value increased by 34.7 times and the total output of grain increased by 1.8 times over 1949. Although we carried out a large-scale economic readjustment in 1981 and also suffered from serious natural disasters, the total industrial output value still increased by 4 percent over the previous year. Last year's grain production was the second highest since the founding of the PRC. Although our country's population is close to 1 billion, and our cultivated land amounts to only 7 percent of the world total, we have still managed basically to guarantee the food and clothing needs of a population which is close to one quarter of the world's total relying entirely on our own strength. We must say, this is a really amazing achievement.

We have also made great developments in the fields of education, science, culture, public health, physical culture and sports and so on. Our achievements in scientific fields such as nuclear technology, satellites and carrier rockets, and so on have in particular drawn the world's attention. These are not only miracles in our country's history but also in the world's history. Undoubtedly, these achievements are primary; and in contrast to them, the mistakes which our party made are after all secondary.

In the third place, we must make clear what attitude our party has taken toward the mistakes. Lenin said, "The attitude of a political party toward its own mistakes is one of the most important and surest ways of judging how earnest the party is and how it fulfills in practice its obligations toward its class and the toiling masses. Frankly admitting a mistake, ascertaining the reasons for it and thoroughly discussing the means of correcting it -- that is the earmark of a serious party." ("Selected Works of Lenin," vol 4, p 213) Always taking a practical and realistic attitude toward its mistakes, our party never covers up facts or evades problems. It dares to expose itself and is brave and active in correcting its mistakes.

Back in the period of the war of resistance against Japanese invaders, our party mobilized the masses, ranging from high-ranking cadres to all party members, to take part in the rectification movement which thoroughly cleared away the prevailing influence of leftist doctrinairism. This rectification movement, which laid down an ideological foundation for the victory of the war of resistance against Japan and the war of liberation, has always been commended inside and outside the party and this time, in redressing the leftist mistakes made before and during the "Great Cultural Revolution," our party has not only mobilized the whole party but has also extensively and thoroughly mobilized hundreds of millions of people to engage in exposure and criticism. This is an unprecedented undertaking in the history of the international communist movement. This is an action which shows our party's strong sense of responsibility to the people's cause and its firm confidence in its own strength and in the future of the socialist cause which it leads. Only a party which is armed with Marxism-Leninism-Mao Zedong Thought and which represents the fundamental interests of the people can take such an action.

Of course, it was really distressing to see our party make mistakes and thus bring about serious damages to the revolutionary cause and great misfortunes to itself and the people. But the mistakes taught the party and the people. In talking about the mistakes of the "Great Cultural Revolution," Comrade Zhao Ziyang said that from a certain point of view, if there had not been a "Great Cultural Revolution" in which all extremist practices were promoted, we would not have been awakened as thoroughly as we are today, we would not have reexamined all the problems since 1957 and could not have been as liberal as we are today for a long time to come. It is in experiencing mistakes and setbacks that we have managed to become coolheaded and more mature; and it is through the practice of correcting mistakes that we have become firmer and stronger. This has been proved by facts. Doubting the party or even trying to get rid of the party's leadership just because the party has made mistakes is not only wrong but will also bring about more serious mistakes. Comrade Hu Qiaomu pointed out, "The party's leading body did make mistakes but nobody is allowed to use this as a pretext to weaken, cast off or destroy the party's leadership, since doing so will only lead to terrible catastrophe."

Since our party has made mistakes, will it still be able to undertake the important task of leading the people in building a prosperous and powerful socialist country? In our opinion, this problem is not a theoretical one but rather a practical one. Since the third plenary session, our party has taken a series of resolute and correct measures to redress the mistakes, and thus brought about an excellent situation unprecedented in the last 20 years. This fully proves that our party is absolutely up to its task.

In terms of guiding ideology, leftist mistakes have brought about the most serious damage to the socialist cause since the founding of the PRC. Our party is very determined to redress this mistake and has devoted much effort to this. Because the "leftist" mistakes have been dominant for a rather long period -- in particular, the long-standing personality cult of Comrade Mao Zedong and the doctrinairist habit of blindly copying certain Mao speeches of Marx, Lenin and Comrade Mao Zedong; which enabled the "leftist" guiding ideology to dominate the whole party and go deep into every domain -- a number of people made "leftist" thinking a criteria in judging the situation and in taking action; and thought that this thinking conformed with Marxism-Leninism-Mao Zedong Thought. Since the smashing of the Jiang Qing counterrevolutionary clique, many comrades inside the party have strongly called for the redress of such "leftist" mistakes. However, as the two "whatevers" were put forward and upheld, the "leftist" mistakes have continued to exert influence. This shows that it is not an easy task to redress the "leftist" mistake. In a certain sense, it is even more arduous and difficult than the task of redressing the leftist adventurism of Wang Ming in the past. As the representative of the people's fundamental interests, our party will never be overwhelmed by any difficulty. From painful lessons our party has learned the truth that it and the country will not make any progress and the socialist cause is likely to be destroyed, if the "leftist" mistakes are not redressed.

Therefore, the party has devoted much effort to redressing its own mistakes. The general guiding principle of emancipating the mind, using one's brains, taking a practical and realistic attitude and uniting to strive for the future, was established at the third plenary session. It enabled the party to comprehensively redress its own mistakes, carry forward and further develop the scientific system of Mao Zedong Thought, restore the original face of Mao Zedong Thought and thus reestablish the party's ideological guideline on a scientific basis of dialectic materialism. At the same time, the party has accordingly readjusted and changed all the past evaluations of situations, theories and points of view, political slogans, guiding principles and policies which did not conform with objective reality. It has also revised and made, based on Marxism, a new and correct explanation and some decisions which conform with the objective reality for all important and new problems emerging in the realms of politics, economy, culture, social life and so on. The "Resolution on Certain Questions in the History of the Party Since the Founding of the People's Republic of China" has made in particular a comprehensive, practical, realistic and scientific analysis of the "leftist" mistakes, thus fulfilling the party's historical task of setting to rights things which have been thrown into disorder in the realm of guiding ideology. It has thus established a correct road, which conforms with our national conditions, to construct a powerful socialist country. All these facts show that our party is one which is not only earnest in correcting mistakes but also adept at learning lessons from mistakes.

The main reason our party could successfully fulfill such an arduous task is that it possesses a strong central leading group which guarantees the implementation of the correct Marxist line adopted since the third plenary session. The existing leading core of the CCP Central Committee has been shaped since the third plenary session. In this group, we have some proletarian revolutionaries of the older generation who have stood the test in the long-time revolutionary struggle and are enjoying a good reputation. With rich and overall experiences in all fields of politics, economy, culture, military and so on, they are the mainstay which ensures the smooth implementation of the process of setting to rights things which have been thrown into disorder, as well as the success of the cause of the party and the people. In this group, we also have those comrades who are in the prime of life and possess rich practical experience. They have made important contributions in restoring and reestablishing the party's ideological and political lines, in reversing unjust, false and wrong verdicts, in carrying out the party's policies, in promoting the national economy and so on. Working together, all these comrades can help each other and complement each other. The high sense of responsibility to the people which they have shown in collectively handling major issues has set a good example for leading organizations at all levels. Therefore, it can be seen that the present leadership group of the CCP Central Committee has become more energetic and has improved its ideology, work style and so on, as compared with the past. It is now a strong and united leadership group. Comrade Tan Zhenlin, proletarian revolutionary of the older generation said: The profound changes in various fields since the third plenary session are enough to show that "the present leading core of the CCP Central Committee is a strong leadership group which is absolutely trustworthy." This is a very appropriate appraisal. Under the leadership of this CCP Central Committee, we will be able to redress our mistakes; and we can be certain that we will overcome all difficulties and thus lead our socialist cause from one victory to another despite tremendous obstacles in the course ahead. As pointed out by Comrade Deng Xiaoping, "We will be able to concentrate the strength of the whole party or even the strength of the whole country to accomplish marvelous deeds so long as our party's leadership remains correct."

The history of modern China has shown that only the CCP can redeem the people from untold miseries, lead them to overthrow the three big mountains and win independence, freedom and liberation. Without the CCP, there would be no new China. This is a conclusion drawn from history.

Now the history of the last 32 years shows once again that without the CCP, there will be no modernized socialist China. The party can hardly avoid mistakes in exercising leadership. However, in closely uniting with the people, it can surely redress mistakes and successfully lead the people throughout the country to turn our homeland into a prosperous and powerful socialist country. Therefore, there is nothing to worry about, and there is no reason for us to lose our confidence.

In the eyes of some other comrades, the CCP still has certain defects, such as the existence of unhealthy trends. They are worried about whether a party like this can properly lead the socialist construction. It is true that certain unhealthy trends, some of which are serious, exist among some of our party members and cadres who practice bureaucracy, seek personal privileges, make use of the power which the people grant them in seeking private interests. Unhealthy trends like these are a kind of corrosive. They can corrupt our cadres, party members and the party, destroy the flesh-and-blood ties between the party and the people, go against the fundamental interests of the people, deprive the party of combat strength and endanger the construction of the four modernizations. It is completely understandable that the broad masses of the people are discontent with such a situation. However, it should be noted that the situation did not arise from mistakes in the party's guiding ideology but from problems existing among some party members and cadres. We can be certain that the party will be able to redress the unhealthy trends existing among these party members and cadres since it has dauntlessly admitted and corrected its mistakes in guiding ideology. We should have a correct understanding of these unhealthy trends existing inside our party.

First, numerous historical facts have proved that most of our party's cadres are good or relatively good and completely trustworthy. Those cadres who are contaminated by unhealthy trends represent only a small part. If this is not our appraisal and understanding of the situation, we will not be able to understand the reason why the party managed to redress its mistakes and win the support of the masses of the people in the last few years, and we will be puzzled in witnessing the rapid favorable turn of the situation and the splendid achievements in the fields of politics, economy, culture and so on.

Second, unhealthy trends such as bureaucracy, seeking personal privileges and private interests, and so on are expressions of the old society's ideologies which serve the exploiting system. They certainly have to be overcome and eliminated under the socialist system. However, there are still some old elements left over from the past which keep exerting an influence on the people since the socialist system is a new one with a short history. After our party seized political power, a change occurred in certain people's thinking. They forgot or even discarded the party's fine tradition and work style and adored and contracted bad habits of the old society. Due to the evil practices of the Lin Biao and Jiang Qing cliques, the remnants of feudalism, the bourgeois thinking, anarchism and out-and-out egoism were on the upsurge during the 10 years of turbulence, and thus the thinking of a number of party members and cadres was seriously corroded. All these unhealthy trends are, Marx put it, the "vestiges" of the old society. They will eventually be overcome by the highly developed material and spiritual civilizations which are to be established in our country.

Third, the CCP is the vanguard of the proletariat and a party which serves the people wholeheartedly without seeking any private interests. This characteristic determines the party's resolute attitude in opposing privileges, bureaucracy and various unhealthy tendencies. Our party never praises, supports and appeases the small number of people inside the party who are contaminated by unhealthy trends, but unremittingly criticizes and educates them. As pointed out by Comrade Hu Yaobang, "various evil things exist at present and will remain for quite a long period of time in the future in the socialist society. There is nothing unfathomable about this. However, the socialist society cannot tolerate the roots of trouble left by the old society. Our party always claims that we will struggle against those wrong, evil practices and unhealthy trends by mobilizing and depending on the broad masses of the people." While a great number of problems are waiting to be handled since the smashing of the "gang of four," our party has listed right away the rectification of the party's work style as a priority item on the agenda.

We have established discipline inspection commissions at all levels from central to local, worked out and promulgated the "Guiding Principles for Inner-Party Political Life," set some necessary regulations governing the living conditions of high-ranking cadres, disclosed, criticized and seriously handled some cases of severely unhealthy trends, of which only a few have been published in newspapers. Recently, our party also put forth the task of resolutely simplifying the leading organs of the party and state at all levels and overcoming bureaucracy, so as to bring about within this year a favorable trend of decisive importance toward improvement of the party's work style. All these facts show that our party is conscientiously redressing the unhealthy trends, just as one removes dirt from a healthy body. Being relatively impetuous, some comrades are itching to redress all unhealthy trends overnight. Their desire is fine but impractical. We need to go through a whole process to clear away all vestiges of several thousand years. As long as we strive unremittingly and persistently with one heart and one mind and give full play to tenacious combat spirit, we will surely be able to cure the persistent sequelae derived from the old society.

Lenin said, "If we are not afraid of admitting our mistakes, not afraid of making repeated efforts to rectify them -- we shall reach the very summit." ("Collected Works of Lenin," vol 33, p 182) In view of this, it is very wrong to spread words casting doubt on the party, and thus undermining confidence in the party's leadership, under the pretext that the party has made mistakes and there are still unhealthy trends in the party. The only right attitude a revolutionary should take is to treat the party's mistakes and shortcomings just as Lenin did.

LIU SHAOQI CITED ON SHIFT IN PARTY WORK

HK250945 Beijing RENMIN RIBAO in Chinese 19 Feb 82 p 5

[Article by Yang Fengchun [2799 6646 2504]: "An Important Article on the Shift in Party Work -- Notes on Reading 'On Party and Mass Work in the White Areas'" -- Report by Liu Shaoqi in May 1937]

[Text] "On Party and Mass Work in the White Areas" was an important report given by Comrade Liu Shaoqi at the white area party representative conference in May 1937. This report profoundly expounded on the importance and difficulties in bringing about the shift in party work at the transition period between the decade of the civil war and the period of the war of resistance against Japan. At that time, it played a great role in eliminating the long-standing influence of the leftist mistakes inside the party and in bringing about the shift in party work. It touches our hearts when we read it today at this historical turning point during which our party has shifted the focus of work from waging class struggle to conducting economic construction after the decade of turmoil.

I

By the end of 1936 and the beginning of 1937, because the Japanese imperialists were carrying out the policy of annexing mainland China, because our party resolutely implemented its policy of forming an anti-Japanese national united front and because the Kuomintang and its followers, the national bourgeoisie, changed their stand in favor of resisting Japan, there were great changes in the political situation and the social relationship throughout the country. For instance, internal peace had been basically achieved, the CCP and the Kuomintang began to cooperate once again and the broad masses of people were conscientiously taking part in the anti-Japanese national movement. All this had changed and would continue to change the surroundings under which our party had waged a decade of civil war. However, not all comrades within the party clearly understand the changed surroundings and the new historical task under the new surroundings and the new historical task under the new surroundings. This was mainly shown in the fact that some localities and some comrades, especially some leading comrades, "failed to suggest a change in their historical tradition of closed-doorism and adventurism which they had carried out and firmly believed in for a decade." This erroneous historical tradition was characterized by demanding that the revolutionary force be 100 percent pure and by negating the establishment of a broad revolutionary united front, excluding all the allies that we could win over and isolating ourselves.

It was also characterized by the fact that in carrying out mass work and in fighting against the enemy, these comrades failed to take into account the time, place and other conditions or to analyze the possibility of success or failure and the possible results and impact of their planned actions, and blindly persisted in carrying out their rash plans in an overly impatient manner. Their actions finally resulted in the collapse of the mass organizations that we had already formed and in turning away the masses and possible allies. In handling inner-party relationships, they arbitrarily put the labels of advocates of "peaceful development" and "right opportunists" on those comrades who did their work conscientiously and who dared to criticize their errors and to abide by correct ideas. This erroneous leftist tendency which began after the "August 7th" conference of the party had already struck deep root in the minds of many comrades and in the daily work style of the party and the masses. It had even become an evil tradition. So on the one hand these comrades did not understand the new surroundings and the new tasks and they failed to see the necessity for them to quickly change their mode of thinking and work style and to establish the anti-Japanese national united front. On the other hand, in their work they continued to wield closed-doorism and adventurism as a "magic weapon." This seriously hampered carrying out the shift in party work, the establishment of the anti-Japanese national united front and the work of winning over the majority of the masses. This article of Liu Shaoqi's was precisely aimed at removing the obstructive effect of these errors. It sharply exposed the harmfulness of the leftist errors and emphatically expounded on the necessity for the shift in party work and on the way to bring about this shift. It clearly pointed out, "we should put forward within our party the problem of bringing about a thorough shift in our work," and rouse our comrades from their evil traditional habits in order to make them keep in step with the times and conscientiously promote the development of the party's cause.

## II

Bringing about a thorough shift in party work was by no means empty talk. It was undoubtedly correct that our policies should change along with the changes in the situation. But this was a relatively easy task to perform and quite a few comrades were content with merely doing this task. They thought that a thorough shift would be effected by simply substituting the new slogans for the old ones and that no other effort was necessary. At all kinds of occasions and in all kinds of speeches and talks they gave, they repeatedly mentioned the new situation, but they never conscientiously studied the question of what the new situation was or studied the new state of affairs and new problems that had cropped up under the new situation. The "shift in work" that was put forward by the party remained only in their words, and they seldom conscientiously studied the question of how to do effective work to fulfill the new task under their own specific conditions. During the period of the historical turning point, treating the party's new task as a slogan to be shouted was the easiest thing to do and the best way to safeguard the old traditional habits and erroneous thoughts. However, this was the most ineffective and most harmful method, and it gave rise to many troubles and aggravated the resistance in the course of the shift. This was precisely what happened at the beginning of the war of resistance against Japan. Liu Shaoqi very correctly exposed how harmful this method was for the party's cause. He said, "Although they time and again made a clamor about the united front, in their actual work, they time and again impeded and disrupted it. In this way, they turned all the new strategies that we put forth to be really carried out in actual work into purely formalist empty talk."

As Liu Shaoqi pointed out, bringing about the shift in party work was an extremely difficult task. First, because of the changes in the situation and in our policies, we had to change the mode of our struggle, the form of our organizations and the style of our work. At that time we were to bring about the following changes: changing our armed struggle against the Kuomintang into a peaceful one; changing the unlawful and clandestine form of the work of our party and masses into a lawful and open or half-open and half-lawful form; and bringing about a change from our old habit of fighting in isolation to becoming versed in doing things with the cooperation of allies. In short, we had to change the mode of work we had gotten used to during the decade of the civil war.

For this purpose, we had to bring about another change, that is, overcoming the erroneous and evil tradition in the work of our party and masses and eliminating the long-standing leftist errors and their impact. At that time, this meant substituting a lively and objective style of work for a mechanical and subjectivist style of work, actual actions for empty talk and dialectics for metaphysics. Without the latter change, the former change would have been impossible. Comrade Liu Shaoqi pointed out that bringing about the latter change was the most difficult task, for this involved the problem of changing the habits of work, living and thinking and involved the problem of establishing the Marxist world outlook in the mind of a revolutionary.

Comrade Liu Shaoqi pointed out that in order to put an end to the erroneous historical tradition that our party and masses had gotten used to in their work and in order to change the evil habit of thinking that had struck deep root in the minds of many comrades, we had to, first of all, indicate in all earnestness that the leftist things that they had gotten used to were wrong, so as to prevent people from "repeating these errors out of ignorance." Second, we had to expose and criticize the erroneous tradition of the past in detail and negate the erroneous principles of the past. Third, we had to supplant the erroneous principles of the past with new correct principles.

Of course, it was very difficult to do so, for doing the habitual thing was not only convenient but was also based on a series of "reasons." If we did not successfully refute these reasons, we would not be able to change them. Moreover, habitual things were often connected to a certain degree with people's personal interests. A change in them might affect the easy and comfortable lives of some people and might even damage the "prestige" of some people. Therefore, if people's selfishness was not overcome, the habits could not be changed without a hitch. Another reason was that no new and correct principles could be drawn up easily through a sudden brainstorm. On the contrary, the creation of a new principle always demands mental exertion, diligent study and hard work and perhaps some risk. During the turning point period, a revolutionary had to have full confidence in and a great sense of responsibility for the cause he was engaged in. He could not flinch for fear of making mistakes or flinch because he could not adapt himself to the new situation. Without a profound and careful examination of the past, without a sober and wise forecast of future developments on the basis of investigation and study, without a clear understanding of the new situation, without the courage and ability to study new problems and put forth new methods, or without the spirit of studying and working hard for the party and the people, all slogans would become empty talk, of which the only effect would be pleasing the public with claptrap, mocking the revolutionary cause we were engaged in and even damaging the party's image and the relationships between the party and the masses.

## III

In order to bring about a shift in all the concrete work of the party, we should do our work in the following two aspects: eliminating the old erroneous historical tradition and at the same time creating new work methods, new forms of organization and a new mode of struggle in every aspect of our work. To succeed in these two aspects of work, we can only rely on arming the party with Marxism and developing and consolidating its organizations. Regarding the situation in the party at that time, Comrade Liu Shaoqi talked about nine aspects of the problem of changing the party itself. His words vigorously guided the party's work at that time, and the basic tenets of his words continue to be principles that we should often study and follow in strengthening the construction of the party. Regarding inner-party life, Liu Shaoqi pointed out, "In the ideological struggles of the past there were the practices of arbitrarily attacking our comrades and sticking the label of opportunist on them and of arbitrarily dismissing our comrades from their posts because they expressed different views. These practices were wrong." These practices of mechanically and arbitrarily adopting the means of administrative and disciplinary punishment were "a kind of extremely undemocratic habit." He stressed that inside the party we should seek a political and ideological unity based on principle instead of a unity in appearance only.

He pointed out that in order to augment inner-party democracy, our cadres should first of all understand the necessity of democracy and set examples by their actions. "We should not only carry out a few democratic procedures in form, but most important, we should encourage a democratic spirit of work." The leading organizations should solicit opinions from the comrades, carry out discussions with those under them in giving guidance, and refrain from being overly concerned about the prestige of the position of leading comrades. They should obey the will of the majority, observe the discipline and treat the comrades in a friendly way on an equal footing. He profoundly pointed out, "The true democratic spirit is inseparable from communist selfless morality." Regarding the problem of party work style, we should eliminate the practice of conducting empty talk about good work style and about overcoming bureaucracy. We must integrate our revolutionary enthusiasm with true pragmatism and in doing any kind of work, we should be determined to persist to the end. Only by so doing can we really promote the work and the revolution. Regarding the problem of the party's propaganda, he pointed out that we should eliminate the long-standing tradition of formalism, rigidity in form, triviality of content, extravagance, inexactitude of facts, taking no account of the nature of the people we are propagandizing to, and the stereotyped forms of the propaganda publications. He raised the demand for doing systematic theoretical research and propagating theory.

Liu Shaoqi placed special emphasis on the problems of cadres. He said, "We rely on our cadres in doing any work and in bringing about any changes. Therefore, the problem of cadres is a key problem in our party." If we do not have a large number of well-trained cadres, it will be impossible for us to bring about a shift in the work of the party or to open up a new situation to develop our cause throughout our country. He very clearly explained the way to train and foster cadres. He said, "Our existing cadres have various kinds of shortcomings, including political and ideological shortcomings and lack of ability. Some of them may even have various kinds of unhealthy ideas and habits left over from the old society. However, what we must do now is precisely to reform these cadres and turn them into cadres of sufficiently high standards instead of turning them away." He emphasized that our cadres should be quick to learn. He said that they should be quick to "learn from past experiences and Marxist-Leninist theory and methods." They should supplant their subjectivism and metaphysics with materialist dialectics and supplant their closed-doorism and adventurism with Marxism-Leninism. He said, "Only by so doing, we will be able to make progress and bring about a thorough change in the work of the party and the masses."

JIANGXI CCP ISSUES CIRCULAR ON SPRING FARMING

OW250521 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 21 Feb 82

[Excerpts] The Jiangxi Provincial CCP Committee and the provincial people's government on 20 February 1982 issued a circular on doing a good job in spring farming.

The circular says: A pressing and important task of the party committees and people's governments at all levels is to do a better job of spring farming without any delay. The situation is excellent in Jiangxi's rural areas, and there also exist many favorable conditions for achieving an all-round bumper harvest in agriculture this year. However, we must clearly understand that although the conditions are favorable, there are also many new problems. Therefore, it is necessary to strengthen the leadership over spring farming and solve these new problems expeditiously and positively.

1. Earnest efforts should be made to implement the agricultural production plans. The policy of giving priority to the planned economy and at the same time giving play to the supplementary and regulatory role of the market must be adhered to without any hesitation or change. All communes, production brigades and production teams must formulate their own production plans under the guidance of state planning. It is important to assist the masses of peasants to develop agricultural production according to the demands of state planning and actual needs of the society. In areas where such practices as fixing farm output quotas for each household and allowing each household to keep what it produces after meeting its output quotas have been carried out, an important task is to educate the peasant masses to act on the unified arrangements under state planning, and, through doing a good job on political-ideological work and signing production contracts, to implement state planning down to each production team and farm household. Under no circumstances should aimless growing be practiced without considering the demands of state planning.
2. Greater efforts should be made to improve and stabilize the various forms of the production responsibility system. All localities must publicize and implement the summary of the national conference on rural work which has been approved for circulation by the central authorities. We must, in close connection with the actual conditions, give consideration to the interests of the state, the collectives and individuals while vigorously, thoroughly and meticulously educating the peasants with the policy of adhering unwaveringly to the path of socialist collectivization and public ownership of land and other basic means of production, and adhering unwaveringly to the production responsibility system in agriculture. In view of the present situation, what we should do is to make unified arrangements for growing major crops and the use of large-sized farm machinery and tools and irrigation facilities under unified control.
3. Grassroots organizations such as communes, production brigades and production teams must be reorganized and consolidated in a down-to-earth way. We must rely on the grassroots organizations in rural areas to develop the rural economy, improve the production responsibility system in agriculture and do a better job of other tasks in rural areas. Meanwhile, we also rely on the broad masses of grassroots cadres to mobilize as well as organize the rural masses to accomplish the above-mentioned tasks. Otherwise, we will not be able to accomplish anything. However, a state of laxity now exists among some production teams and leading groups, whereas a handful of them has fallen into a state of paralysis or semiparalysis. The responsibility for many tasks has not yet been clearly divided. This unhealthy trend is being spread. The leading personnel at all levels must pay special attention to this serious problem, a problem which should not be neglected.

4. A concrete job must be done in providing spring farming with sufficient material supplies. The shortage of fertilizer and a decline in acreage sown under green manure crops represent a serious problem in this year's agricultural production. Therefore, all possible means should be taken to increase fertilizer supply, accumulate more farmyard manure and grasp well the field management of green manure crops.

5. Efforts must be made to strengthen the leadership and improve the style of work. Our province has decided to increase the total value of farm output by five percent this year, of which the output value of diversified economy is to be increased by seven percent. This is indeed a very arduous task, and we will never be able to accomplish it if we still adopt the same old methods without taking into account the new situation and new problems. The provincial party committee has decided to assign one third of cadres from provincial-level organs to go to various localities under the leadership of responsible comrades to cooperate with the local party committees and governments in improving and further promoting the system of production responsibility in agriculture, grasping well the building of grass-roots units, strengthening the ideological-political work in rural areas, implementing various production plans, and doing a better job in spring farming.

JIEFANG RIBAO ON IDEOLOGICAL EDUCATION OF YOUNG

OW241305 Shanghai JIEFANG RIBAO in Chinese 16 Feb 82 p 1

[Commentator's article: "Pay Close Attention to Ideological and Moral Education in Primary Schools"]

[Excerpts] Since last fall all primary schools in Shanghai have conducted ideological and moral education. They have scored certain achievements and accumulated some experience in conducting elementary communist ideological and moral education in accordance with the special characteristics of the students of various grades. Practice proves that teaching of this subject has been a timely and imperative action.

Because today's primary school students will be the most important force in socialist construction in the 1990's and toward the end of this century, firmly grasping ideological and moral education among students is a major question which concerns the mental outlook of the future builders of society and the successors to the socialist cause. Paying keen attention to ideological and moral education in primary schools is not a small matter, but an important one of strategic significance.

The task involves in particular ideological, spiritual and moral education among primary school students in order to help them cultivate the good habits of observing discipline, paying attention to courtesy and safeguarding the public interest from childhood.

Ideological and moral education should be part of the political course at primary schools. Political education for students is a science which requires continuous accumulation and summing up of experience and study of objective law. In conducting ideological and political education among today's youngsters, we must learn from our past experience and draw lessons from it and avoid teaching primary school students abstract concepts. It is necessary to conduct the education through lively and interesting examples and activities.

In view of the short period of time that has passed since the teaching of this subject, it is necessary to continue to raise understanding, accumulate experience and study and solve problems. It is hoped that leaders in the educational departments and the masses of teachers and parents pay keen attention to the subject and raise ideological and moral education in primary schools to a new level in the coming new semester.

LIU JIE ATTENDS HENAN PLA APPRAISAL MEETING

HK250743 Zhengzhou Henan Provincial Service in Mandarin 1100 GMT 23 Feb 82

[Text] The Henan Military District meeting of representatives of advanced units and individuals in building socialist civilization was solemnly opened this afternoon in Zhengzhou. Liu Jie, first secretary of the Henan Provincial CCP Committee and first commissar of Henan Military District, attended the inauguration ceremony. Also present at the opening meeting were other leading comrades of the provincial military district, including Shang Tan, (Hu Shangyi), (Yang Dongyi), (?Zhao Yi), Zhou Mantian, (Cheng Yuting), (Ma Ming), (Cai Ming), (Guo Jinbao), (Wang Zhengcheng), (Yao Xia), (Sun Guansheng), (Li Jie), (Luo Baoshun), (Li Ling), and others. The leading organs of Wuhan PLA units sent delegates to attend the opening ceremony and participate in the meeting.

The participants in the meeting totalled 391, ranging from leading cadres of units at or above regiment level to delegates from grassroots units, from old combat heros and model fighters who have made new contributions to new models who have emerged in recent years, from cadres who are on the active list to old retired comrades and members of staff and workers' families.

The meeting, formally opened at 1000, was presided over by (Cai Ming), deputy political commissar of the provincial military district. Commander Shang Tan gave an opening speech, proclaiming the meeting to be an occasion to examine the results achieved by the PLA units in building socialist spiritual civilization in the past year, an opportunity to praise advanced units and individuals and to learn from each other, and a rally to mobilize our fighters to promote and intensify the drive of building socialist spiritual civilization. He asked the participants to take active part in the meeting with high political enthusiasm and full energy; work modestly and prudently, guard against arrogance and rashness, and learn from advanced models with an open mind; conscientiously compare with each other and see where they lag behind, try their best to learn good thinking, good work style, good experiences from advanced units and individuals, and popularize them in their own units; and thus push ahead with the building of spiritual civilization.

The responsible comrades of the provincial trade union, provincial CYL committee and the provincial women's federation including Cui Jinshu, (Yang Zegong) and (Cheng Yifeng) delivered congratulatory speeches one after another to the meeting.

HUNAN CCP MEETING ON FIGHTING ECONOMIC CRIME

HK240946 Changsha Hunan Provincial Service in Mandarin 2300 GMT 23 Feb 82

[Text] Yesterday morning [23 February], the Hunan Provincial CCP Committee and provincial people's government held a meeting with the responsible cadres of organs under the provincial authorities at the hall of organs of the provincial CCP committee. The meeting demanded that the leadership organs at all levels, especially the responsible cadres of organs directly under the provincial authorities, seriously study the spirit of the instructions of the CCP Central Committee and the State Council, take prompt action, seriously adopt resolute and effective measures to thoroughly combat criminal activities in the economic field so as to promote greater progress in economic construction and other tasks. The meeting was presided over by Zhao Chuqi, secretary of the provincial CCP committee. Sun Guozhi, secretary of the provincial CCP committee and provincial governor, delivered a speech at the meeting.

After analyzing the unlawful and criminal activities in the economic field and the unsavory trends in the province, Comrade Sun Guozhi put forth specific demands on combating criminal activities in the economic field on behalf of the provincial CCP committee and the provincial people's government. He stressed: The CCP committee at all levels must attach great importance to combating unlawful and criminal activities in the economic field. They should take a clear-cut attitude, be resolute and be prompt in taking action.

The principal leaders should personally take charge of the work. Special personnel should be assigned to take charge of the matter, and the accomplishment of the work should be ensured with the party spirit. They must resolutely carry out the plans of the central authorities and the provincial CCP committee and practice division of labor with individual responsibility in accordance with the subordinate relations of the party and the people's government and ensure that no serious cases of the local district, systems and units will be left out.

Comrade Sun Guozhi said: Criminal activities in the economic field are a kind of class struggle within a given scope. First of all, we must organize a powerful group to take prompt action to tackle cases of economic crime which involve the responsible cadres and organized groups. We must seriously investigate and handle the serious economic cases which were not handled over the past few years for various reasons. Regarding this question, all units must look into every case they uncover. They must be serious and responsible when handling these cases. They must give wide publicity to the serious representative cases and use them to educate the people inside and outside the party. If any leading cadres have violated the economic laws, they must take the initiative themselves to investigate and explain the actual situation to the people so that they can take part in combating economic crimes with nothing on their conscience. They must not be lenient to bad people and on bad deeds because to tolerate evil is to abet it. They must uphold principles and expose the mistakes of their relatives, old colleagues and subordinates without sparing anyone's sensibilities. Anyone who connives at and shields the crimes of the offenders, pleads for the criminals, mitigates the responsibility of the offenders, interrupts and obstructs the examination of the cases must be investigated and punished. Anyone who retaliates and informs against the informant must be punished according to the party discipline and the state law. We must seriously carry out the party's policies, correctly distinguish between the two types of contradictions which are different in nature. We must distinguish the ordinary unsavory practices from the unlawful and criminal activities, and distinguish normal economic cooperation from unlawful businesses whose aim to is reap staggering profits. We should also distinguish the shortcomings and errors in economic life from corruption, robbery and bribery.

Comrade Sun Guozhi said: We must make use of this struggle to seriously rectify the organs and enforce the relevant systems, try hard to plug loopholes and do a better job in the building of organs directly under the provincial authorities. All units of organs directly under the provincial authorities, in particular, responsible cadres at all levels, must themselves set good examples and stand in the forefront of the struggle. If a unit is indecisive in the struggle against economic crimes and turns a blind eye to the unlawful and criminal cases in the economic field, we should affix responsibility to leaders of that unit. All relevant departments, in particular the discipline inspection units, organizations, personnel, public security, legal, financial, tax and revenue, banking, industrial and commercial administrative and labor departments must bring into full play the functions of their roles and try their best to combat economic criminal activities and correct the unsavory trends in the economic field.

HUNAN: CADRES SHOULD NOT CULTIVATE FARMLAND

HK250732 Changsha Hunan Provincial Service in Mandarin 1100 GMT 24 Feb 82

[Station short commentary: "Properly Solve the Problem of Cadres, Staff Members and Workers Returning Home To Cultivate Farmland for Which They Are Responsible"]

[Text] Since the implementation of the production responsibility system, especially in places where the system of peasant households assuming full responsibility for task completion and the system of fixing output quotas on a household basis have been implemented, land has been contracted to the majority of the dependents of cadres, staff members and workers whose families are living in the rural areas.

Due to lack of labor at home and to an inability to properly handle the relationship between the public and the individual, some cadres, staff members and workers often ask for leave so that they can return home to cultivate farmland contracted to their families. This affects work and encourages certain unsavory trends. Therefore, in improving and stabilizing the production responsibility system at present, all areas must grasp the question of cadres, staff members and workers returning home to cultivate farmland as a major affair and grasp it well. Then how can we properly solve the question of cadres, staff members and workers returning home to cultivate contracted farmland? In accordance with the experience of the Nanshui commune in Yuanjiang County and other places, it is necessary, first of all, to strengthen ideological and political work in order to solve this problem. It is necessary to educate the cadres, staff members and workers to attach primary significance to the interests of the party and the state and cautiously and conscientiously promote the party's work. Second, it is necessary to encourage signing contracts for professional production and with laborers, and sign more contracts with households which have a large labor force and fewer with those which have a small labor force. Simultaneously, we should not sign any contracts with households which have no labor force at all. Households of cadres, staff members and workers which do not have an able-bodied labor force should not be contracted to do work in the fields. Instead, other production items which they are able to fulfill should be contracted to them. In addition, the communes and brigades should also pay attention to taking good care of the livelihood of the dependents of the cadres, staff members and workers, appropriately solving the problem of grain rations for them. Thus, those cadres, staff members and workers who leave their families to work will not have to worry about problems back home and will wholeheartedly do a good job.

MAO ZHIYONG ATTENDS HUNAN RALLY FOR PLA HERO

HK200247 Changsha Hunan Provincial Service in Mandarin 2310 GMT 19 Feb 82

[Summary] The Guangzhou Military Region held a gathering at the Hunan Military District hall on 19 February to confer the title "good cadre who sacrificed himself for the people's interests" on the martyr (Lu Chonghua). Some 2,000 people attended, including cadres and fighters, workers and dependents of the provincial military district units. Presiding was Mao Zhiyong, first secretary of military district. Li Zibin, deputy commander of the military district, read out the military region's order concerning (Lu Chonghua).

Sun Jianwen, director of the military district political department, introduced the fine deeds of (Lu Chonghua), who was killed in a struggle with a criminal attempting to escape from jail last 30 March.

Provincial CCP committee Secretary and Governor Sun Guozhi and provincial military district Political Commissar Lu Wenxin spoke at the gathering, calling on everyone to learn from this hero.

BRIEFS

HUNAN DEMOGRAPHY ASSOCIATION -- The ceremony establishing the Hunan Provincial Demography Association and the first scientific discussion meeting on demography were held in Changsha 10-14 February. Some 80 representatives from universities, colleges, party schools, scientific research organs, planned parenthood departments, relevant units and some middle schools attended. The meeting received 46 theses. The meeting held that a pressing matter of the moment is exercising control over the size of the population and the key point is linking planned parenthood work with the implementation of the agricultural production responsibility system so that planned parenthood work can be carried out by every household. While exercising control over the size of the population, we must improve the quality of the population and attach importance to eugenic population control. At present, we must particularly prohibit marriage between close relatives and persuade idiots, mental patients and people who have hereditary diseases not to have children. [Changsha Hunan Provincial Service in Mandarin 2310 GMT 14 Feb 82 HK]

CHI BIQING ATTENDS GUIZHOU WORK MEETING

HK200557 Guiyang Guizhou Provincial Service in Mandarin 2315 GMT 18 Feb 82

[Excerpts] According to a GUIZHOU RIBAO report, the Guizhou Provincial CCP Committee held a work meeting 6-13 February. The meeting summed up work in 1981 in accordance with the spirit of the instruction of the CCP Central Committee and put forth the targets of struggle in 1982. Attending this work meeting were secretaries and directors of propaganda departments of all prefectural, autonomous prefectural and county CCP committees; cadres in charge of economic work in all areas; responsible comrades of departments, committees, offices and bureaus at provincial level and responsible comrades of certain enterprises. Chi Biqing, first secretary of the provincial CCP committee, spoke at the opening and the closing of the meeting. Other responsible comrades of the provincial CCP committee also delivered speeches at the meeting.

Participants to the meeting unanimously held: We have achieved a new development in work in 1981, which is mainly expressed as an improvement in the national economy and a more stable political situation. As far as agriculture is concerned, the province was hit by severe droughts in 1981. However, despite a drop in grain production, the situation turned out to be better than we had anticipated. As far as industry is concerned, since we put an end to the trend of letting things drift and encouraged people to spare no efforts in setting up new standards, improvements have been gradually seen in the areas of production, economy, education and so on. The province overfulfilled the production plan for 1981, and after comparing the profits and deficits, it was found that the local and state-run industrial enterprises had a slight surplus. Revenue from taxation was increased, all areas overfulfilled financial revenue quotas and the situation of expenditure was also improved. Politically, unity both inside and outside the party was strengthened by studying the resolution adopted at the sixth plenary session. Party organizations at all levels have overcome to a certain extent weakness and laxness in carrying out struggle against the trend of liberalization in the urban and rural areas. By means of launching the "five stresses and four beauties" campaign, many good people and good deeds have appeared. People dare to vigorously commend good people and good deeds and expose bad people and bad deeds.

The meeting stressed: This is the first year in which party organizations at all levels and all the masses throughout the province work with concerted efforts to spare no efforts in creating new standards and work hard to bring about an upswing in the economy. The general guiding principle for economic work in our province this year is to pursue speed on the basis of improving economic results. Why do we talk about this? It is because since the latter half of last year, we have gained new developments in agriculture, industry and other items of work. The question of speed should not be ignored; however, it is not a problem. The problem lies in improving the economic results. In order to improve the economic results in industrial production, we must work hard in three aspects: 1) all products must be marketable and should not be overstocked; 2) the quality and quantity of products and energy consumption must catch up with or surpass the best level of local enterprises; 3) the production cost and profits should be calculated in accordance with rational factors, and should also catch up with or surpass the best level of local enterprises.

As far as agriculture is concerned, only if there are no natural calamities again this year such as those which occurred last year, and so long as implementation of production responsibility systems is promoted and science and technology is popularized, will we be able to easily achieve an increase in grain production of about five percent over 1980, and an increase in income from diversification of about seven percent over 1981. The speed of increase of agricultural production is not a problem either.

The problem here also lies in the economic results. Over the last 2 years, the peasants have become better off. However, new problems have cropped up. The major one is the question of the relationship between partial superior features and the overall situation. For instance, flue-cured tobacco and rape are superior features in the province. However, two questions will crop up if they are cultivated to excess. First, from the point of view of the grain cultivation area, it will affect grain production and supply; second, they may not sell well. Therefore, the development of partial superior features must be subordinated to the overall good.

Speaking on the special measures concerning industrial and agricultural production and planned parenthood, the meeting stressed: If we can realize the targets of endeavor this year, we will be able to increase the per capita agricultural and industrial output. In view of the situation in economic work in our province, we must concentrate all forces to solve three problems: 1) control population; 2) under the premise of realizing the grain production plan, arrange well the distribution of cash crops and forestry, animal husbandry, sideline occupation and fishery; 3) gain profit in industry.

The meeting pointed out: The building of spiritual civilization this year must be promoted to a level higher than that of last year. We must strive for a decisive turn for the better in social order, social mood and party work style. The key to a decisive turn for the better lies in party work style, and improvement of the party style is in turn determined by correction in the ideology, work and life style of the members of the leadership groups at all levels. Our slogan is "leadership groups should lead forward the whole party, the higher levels grasp the lower, and party work style should lead forward people's work styles, and bring about improvement in social order, social customs and party work style." Currently, we must grasp striking at criminal activities in the economic field as a major affair. We must investigate serious smuggling and corruption cases and cases of seizing state property which involve leading cadres. It is necessary to seriously punish according to the law those leading cadres, particularly those in senior posts, who violate the law.

The meeting demanded that leaders at all levels enhance their revolutionary vigor, promote work, strengthen unity in all aspects and overcome all symptoms which might harm unity. Leading organs must support uprightness and suppress evil trends, resolutely criticize and correct all violations of law and discipline, and firmly support all proper things.

#### SICHUAN GOVERNOR'S REPORT TO PEOPLE'S CONGRESS

##### Stable Economic Growth Urged

HK240249 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 23 Feb 82

[Summary] Governor Lu Dadong pointed out in his government work report to the fourth session of the fifth provincial people's congress: "We must continue to do a good job in readjustment in 1982 and strive for sustained and stable growth in industrial and agricultural production."

He said: "We must continue to carry out readjustment and restructuring of the national economy this year, further implement the party's economic policies, and ensure a three percent increase in total output value of industry and agriculture, while striving for a four or five percent increase over last year, so as to catch up with the average national growth level. Agricultural output value should rise by 3 to 3.5 percent. Grain output should increase by 1.5 to 2 billion jin. There should be a relatively large and all-round increase in industrial crops and diversification. Total industrial output value should rise by over 3 percent, including a 10 percent increase in the light and textile industries. The situation of decline in heavy industry should be reversed."

Lu Dadong said: "In order to accomplish these aims, we must actively promote diversification without the slightest relaxation of grain production. Agriculture is the major component of the national economy. We must maintain the principle of taking planned economy as primary and regulation by market mechanism as secondary. We cannot say that plans are no longer needed now that the rural areas are practicing various types of production responsibility systems. Our province has a population of 100 million, and food is the primary matter. While ensuring a steady increase in grain production, we must continue to carry out internal restructuring in agriculture, gradually set up an excellent ecological system for agriculture, improve the commodity ratio, and achieve good results in comprehensive development. The existing grain area must be stabilized. We must continue concentrating on rice, increase dryland grain output, and revive the production of small miscellaneous grains and pulse crops. The existing commodity grain bases must continue to produce grain. We must not reduce the grain area in order to develop industrial crops; instead we should mainly rely on improving their yield." The province should also do a good job in forestry and spark an upsurge in afforestation this spring. Animal husbandry should be vigorously developed.

"We must strengthen planning guidance in carrying out industrial readjustment. The effort should concentrate on readjusting the service orientation of heavy industry to center on the development of consumer goods production. The consumer goods industries must take full advantage of the favorable conditions such as abundant resources, extensive markets, and strong backing by heavy industry, tap potentials and continue to speed up their development. They should concentrate on producing foodstuffs, textiles, leather goods, building materials, glass, handicrafts, and durable consumer goods. There must be a great improvement in product quality and increase in quantity.

"Heavy industry makes up a very large proportion of the province's industry. We must devote very great efforts to readjusting its service orientation, the better to serve agriculture, the consumer goods industries, the technical transformation of the national economy, exports, and the modernization of national defense. We should strive for significant progress in these respects this year.

"While fulfilling their military products output and scientific research tasks, the national defense industries must vigorously develop production of civilian goods, actively support the technical transformation of local industry, and assign some researchers and technicians to support light and textile industries and the energy industry.

"The energy industry is an outstandingly weak link in Sichuan. We must continue to implement the principle of simultaneous exploitation and conservation, currently putting conservation in the first place, speed up work on projects under construction, and strive to get them into operation at an early date."

Comrade Lu Dadong said: "We must persistently follow the path of restructuring and promote the readjustment of the national economy. At present we must pay attention to summing up, stabilizing and perfecting the economic responsibility systems and actively enliven the economy."

Lu Dadong said: "Promoting the economic responsibility systems should be integrated with organizing joint economic undertakings and carrying out industrial reorganization. This is a good way of relying on the current existing enterprises to expand production capacity and speed up development by spending either no money or only a small amount. We should seriously sum up and popularize the experiences of the Chongqing clock and watch company, the Chongqing Jialing motorcycle production joint enterprise, and the Nanchong motor transport joint undertaking. We should apply the method of combining economic measures with administrative intervention to break through the boundaries between administrative regions and departments, concentrate on the key towns and industrial bases, and speed up the establishment of joint undertakings and industrial reorganization, centered on key and brand-name products.

"We should continue to do well in running the trial projects for restructuring the rural economy in Guanghan, Xudu and Qionglai Counties, and gradually expand the scope of the projects. This year each prefecture and municipality should select one county to carry out this trial work."

## Spiritual Civilization Pressed

HK250253 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 24 Feb 82

[Summary] Governor Lu Dadong said in his government work report to the fourth session of the fifth provincial people's congress: We must build a high degree of spiritual civilization to ensure the socialist orientation of material civilization. The government of all levels should concentrate on the following tasks in light of current conditions in the province:

1. Vigorously create social public opinion, mobilizing all the media for this purpose.
2. Extensively promote the "five stresses and four beauties" drive in all organs, schools, enterprises, units and bodies. The emphasis should be on large and medium towns, which must do a good job in promoting sanitation, public order and service attitudes. The tree-planting drive must be carried out on a mass scale, to improve the environment.
3. Strengthen the building of grassroots political power in the urban and rural areas. "It is necessary to correspondingly strengthen the functions of grassroots political power following the institution of rural production responsibility systems. It is necessary to strengthen leadership over the production teams. We must launch the masses to map out rural regulations and pacts and factory rules and laws; publicize new people, deeds and habits; promote new wedding styles and thrift in the home; and put a stop to feudal superstition and gambling."
4. Do a good job in improving social order by tackling the problem in a comprehensive way. It is particularly important to do well in educating young people and juveniles. "We must deal in a resolute way with bribery and corruption, tax evasion, smuggling and peddling of contraband, speculation, price-hiking, disruption of the markets and similar illegal activities. All those who commit crimes must be dealt with according to the law. With the towns and the places along railroads as the points of emphasis, the urban and rural areas must act together to swiftly and severely punish according to the law the counterrevolutionaries, murderers, thieves, rapists, and other criminal elements who seriously endanger social order, so as to bring about a notable turn for the better in social order."
5. Do a good job in developing education, science, culture, public health and physical culture. "Planned parenthood work is a major affair related to the success or failure of our socialist modernization drive. It is a long-term strategic task that cannot be relaxed in the least. We must resolutely control the natural population growth rate below 11 per 1,000 this year. We must continue to advocate late marriage and parenthood, fewer births, and eugenics; and encourage each couple to have only one child. We must pay attention to studying and solving the new situations and problems facing planned parenthood in the rural areas following the introduction of production responsibility systems, carry out patient and meticulous ideological education, and take corresponding measures to rapidly reverse the current great rise in the rural birthrate after its previous decline. We must strictly control blind population growth and improve the quality of the population."

Lu Dadong said: "In building a high degree of socialist material and spiritual civilization, we must clearly affirm that intellectuals, like the workers and peasants, are an important and indispensable force for us to rely on. We must seriously implement the party's policy on intellectuals."

SICHUAN RIBAO VIEWS PROMOTING SOCIAL ORDER

HK250725 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 23 Feb 82

[24 February SICHUAN RIBAO commentator's article: "Promote Social Order in the Course of Building Spiritual Civilization"]

[Text] At present, while the whole party is heading for socialist modernization, we must devote efforts to strengthening the building of socialist spiritual civilization and strive for a decisive change for the better in social order. This is an important aspect in the building of socialist spiritual civilization.

Therefore, while we are building socialist spiritual civilization, we must attach importance to doing a good job of social order. Striving for a basic change for the better in public security and creating a good social order is the demand posed by the CCP Central Committee. This is related to public security, economic development and the immediate interests of the masses. It is a political task of the whole party. To fulfill this task, we must seriously implement the policy of bringing about an all-round improvement in social order. In bringing about an all-round improvement, we must seriously tackle the key link of education of the youth. All organ, school, mine and plant, enterprise, street, rural commune and brigade party and government organizations; and youth, trade union, women's, education, propaganda and cultural departments must attach importance to strengthening education of the youth and treat it as their bounden duty. At the same time, they must strengthen the foundation work of the social order at the grassroots level, and restore and perfect the public security committee and the mediation committee so as to bring into full play their active role in safeguarding public order and mediating the contradictions among the people. They must also seriously carry out various kinds of systems to come to grips with public order, strive to safeguard order in public places, stations, piers and vital communication lines.

The commentator's article said: In the course of building socialist spiritual civilization and promoting social order, the political, legal and public security departments must bring their roles into full play under the leadership of the provincial CCP committee and the people's government. They must boost their spirit, work assiduously, rely on the masses and make full use of legal weapons to combat evildoers and protect the people. They must seriously implement the party's consistent policy of combating the minority; winning over, disintegrating and reforming the majority; and adopt a policy of combining punishment with leniency and the fundamental policy of being lenient to those who confess their crimes and severe to those who refuse. To the minority of murderers, robbers, rapists, bombers and arsonists and other offenders who jeopardize public security, we must promptly punish them according to the law. With regard to the ordinary criminals, we must deal with their cases according to the seriousness of the case and the consequences of the case. At present, strengthening the struggle against the unlawful and criminal acitivities in the economic field is an important task for safeguarding the socialist legal system, building socialist spiritual civilization and ensuring that the building of the four modernizations is carried out smoothly. The relevant departments must coordinate with each other, do a good job of investigating all cases so as to fight the smugglers, speculators and corrupt personnel and offenders who waste the property and money of state. They must check and confiscate all obscene books, magazines and films and must strictly deal with people who write, edit, publish, manufacture and sell these obscene books, magazines and films according to the law. They must sternly punish the principal offenders and abettors.

#### YIN FATANG ADDRESSES XIZANG PREFECTURAL RALLY

HK241502 Lhasa Xizang Regional Service in Mandarin 1130 GMT 23 Feb 82

[Text] On the morning of 20 February, the Xigaze Prefectural CCP Committee held a rally of party members and cadres of prefectural subordinate organs and cadres at and above the company level of PLA units stationed in the prefecture. Those attending the rally included all comrades taking part in the work conference held by the prefectural CCP committee and the administrative commissioner's office, comrades at and above the level of a standing committee member of the prefectural CPPCC committee and cadres at and above the county and district level in Xigaze. This amounted to some 1,100 people.

At the rally, Comrade Yin Fatang and Comrade Raidi spoke. Comrade Yin Fatang set forth his views on four issues: how to adjust to the new situation; further summing up, perfecting and stabilizing the agricultural and livestock production responsibility system; doing well in border work; and doing well in army-government and army-people unity. Comrade Raidi gave his views and put forth demands on laying stress on striking blows at smuggling and at trafficking in smuggled goods and on seriously investigating and handling the important economic criminal cases.

The working group which is being led by Comrade Yin Fatang and Comrade Raldi was jointly organized by the region and Xizang Military District. The main objective of its going to Xigaze Prefecture at this time is to investigate and understand the situation of striking blows at criminal activities in the economic sphere and at smuggling and trafficking in smuggled goods. The working group first listened to the reports by leading comrades of the prefectural CCP committee and the military subdistrict. It also got a clear picture of the situation from the forums held by relevant departments of prefectural subordinate organs. The working group also went deep into Yadong County and the PLA units stationed in Yadong to understand the situation of striking blows at smuggling and at trafficking smuggled goods, of border work, of army-government and army-people relations and of the production responsibility system. It also conducted investigation and study in some communes and brigades in Kangmar, Bainang and Xigaze Counties and attended the work conference held by the prefectural CCP committee and the administrative commissioner's office.

IMPROVING YUNNAN ECONOMIC RESULTS STRESSED

HK200411 Kunming Yunnan Provincial Service in Mandarin 1100 GMT 19 Feb 82

[Station commentary: "Seriously Organize This Year's Industry and Communications Production, Centered on Improving Economic Results"]

[Excerpts] A key task in industry and communications enterprises throughout the province this year is to do everything possible to improve economic results. This is also the fundamental point of departure for promoting industry and communications production in the future.

The province's industry and communications front has seriously implemented the readjustment principle in the past year and scored some successes in improving and enhancing economic results. Total industrial output value last year was 8.1 percent higher than in 1980, while there was a 16.3 percent increase in profit turned over to the state. However, we must also realize that the economic results in industrial production are not yet good enough. Production costs of comparable products of state-owned enterprises covered by the budget rose by 1.5 percent compared with 1980, while their profit per 100 yuan in output value declined by 11.8 percent. In many enterprises product quality fell, input consumption rose, losses increased and profits declined. They failed to achieve their previous best levels in many economic and technical indices, in addition to lagging far behind the national averages. The situation of poor economic results has not yet been fundamentally changed.

Improving economic results in industrial production is both an urgent task and also a long-term effort. At present 86 percent of the province's financial revenue comes from the taxes and profits of industry and communications enterprises. We rely mainly on industry to solve the current financial and economic difficulties and consolidate and stabilize our economic fruits. In addition, we pin our hopes to a very great extent on industry for getting the national economy into a benignant cycle and embarking on a new road of economic development by which the people can gain more real benefit.

This year the province should increase its total industrial output value by 4.5 percent, and strive for a 5 percent rise. Income from taxes and profits should increase by 9 percent. All industry and communications enterprises must make great efforts to improve management and tap internal potentials.

SURVEY CONDUCTED ON JILIN WORKERS' LIVELIHOOD

SK230400 Changchun Jilin Provincial Service in Mandarin 1100 GMT 22 Feb 82

[Text] According to our reporter, the province has achieved good results in conducting a major survey on worker and staff living conditions. From October 1981 to January 1982, 80,590 cadres and workers in 6 localities and at the Jilin railway subbureau and 16 provincial-level departments and bureaus were organized to solve difficulties affecting workers and staff members at grassroots units. They visited 344,000 worker and staff families, solved 52,000 problems concerning workers' livelihood and gave 4.15 million yuan in extra allowances for living expenses to 131,000 workers and staff suffering diseases and having special difficulties in livelihood.

This survey was an unprecedentedly broad one and offered many good services to the masses. Thanks to the close attention of party and government leaders at all levels, many problems were solved promptly. With regard to the problems still to be solved, the provincial department concerned urged all localities to conscientiously discuss these problems, make overall arrangements and work out solutions. All problems which can be solved through efforts should be solved as quickly as possible. As for the problems which are difficult to solve, the reasons should be explained to the masses and enable them to make allowances for state difficulties. Meanwhile, issues on workers' livelihood should be placed on the work agenda to solve people's living difficulties.

LIAONING RIBAO ON PLANNED ECONOMY IN AGRICULTURE

HK240742 Shenyang LIAONING RIBAO in Chinese 12 Feb 82 p 1

[Commentator's article: "It Is Still Necessary To Take Planned Economy as Primary in Agriculture"]

[Text] At the beginning of the Spring Festival, Comrade Chen Yun invited the responsible comrades from the State Planning Commission to hold a forum. The forum stressed that we should take planned economy as primary and regulation through the market mechanism as secondary. Comrade Chen Yun pointed out that our country is practicing planned economy and our industry should take planned economy as primary. Even after the agricultural responsibility system is implemented, we should still put emphasis on planned economy. This is a very important basic principle in the building of a socialist state. Having a profound understanding of this basic principle and thoroughly implementing this basic principle in the stipulation of this year's agricultural production plan is an important task confronting the vast number of cadres and the broad masses of peasants on the agricultural front.

"Since the responsibility system has generally been implemented in the rural areas, why should we stress taking planned economy as primary?" some comrades would ask. This is, in fact, confusing a responsibility system with the planned economy. A responsibility system is a management method and it is entirely different from the planned economy. We cannot replace it with the planned economy. Ours is a socialist state. The nature of a socialist economy is a planned economy and only if we uphold having all-important economic activities functioning within the framework of the state plan can we ensure that the national economy will develop systematically and proportionally. The agricultural economy is an important part of the national economy and it cannot be divorced from the guidance of the state plan. The ultimate purpose of practicing production responsibility systems in the rural areas and arousing the maximum enthusiasm of the peasants is to promote a faster, bigger and more thorough agricultural development according to the state plan. Therefore, no matter what kind of responsibility system is implemented, we must all the same practice a planned economy and take the planned economy as primary and regulation through the market mechanism as secondary. This will be good not only for the state but also for the peasants.

Some comrades held: Since the responsibility system has been implemented, the peasants' enthusiasm has been enhanced and there is an abundant supply of products. The peasants will naturally follow the guidance of the state plan. Why should we stress taking the planned economy as primary? Evidence has proved: The greater the peasants' enthusiasm for production, the more attention we should give to strengthening the plans and guidance of the state and to guiding the peasants to develop production in accordance with the needs of the society. We must prevent and correct anarchism and blind acts in the course of production, and prevent people from focusing on individual interests rather than the interests of the state and the collectives, on immediate and partial interests rather than long-term and overall interests, and correct them when they do so. We must teach the peasants not to choose "free" methods which are only useful to themselves for the moment. Regarding this aspect, we have learned a lot of lessons and we must handle it meticulously.

"We have already had a rational plan for production. Why should we stress taking the planned economy as primary?" This is another way of viewing the matter. As a matter of fact, looking at the whole province, the structure and planning of agricultural production has been gradually becoming more rational over the past 2 or 3 years since we eliminated the influence of "leftism." There has been an excellent situation in the overall development of grain production and the diversified economy. However, we have to look at the other side of the picture as well. Some localities put undue emphasis on increasing economic income. They are unwilling to make full use of the field to grow rice; instead, they blindly grow industrial crops. Some suburban communes and brigades do not grow vegetables according to the state plan, while other localities do not fulfill the state procurement task for agricultural sideline production. Although these questions are not essential, if we do not pay sufficient attention to them and allow them to develop, they will eventually do harm to the state plan, the national economy and the livelihood of the people. Furthermore, in evaluating whether or not a production plan is rational, we must adopt an overall point of view rather than simply a partial standpoint. Some matters might sound rational from a partial point of view, but they might not be rational from an overall point of view. Sometimes they can even be irrational. Thus we must look at matters from an overall point of view and must have overall planning. The present overall situation we are stressing is that we have 1 billion people to feed, and we must not reduce the grain-growing areas and increase the amount of imported grain. This is a basic fact. To bring into full play the superior local features and the potential of the locality, we must not be divorced from the overall situation; instead, we must be subordinate to the overall situation.

"Will we again follow the beaten track of 'doing everything in a rigid way regardless of the conditions' when we stress taking planned economy as primary?" Some comrades have been worried. Their worries are understandable because they have learned a profound lesson from the "gang of four" who flaunted the banner of "planned economy" while "doing everything in a rigid way regardless of the conditions." However, what we are stressing today is taking the planned economy as primary and regulation by the market mechanism as secondary. This is completely different from what the "gang of four" promoted. First of all, the so-called "state-plan" put forth by the "gang of four" was itself against the objective law and the interests of the masses. The more we follow their "state plan," the more we would do harm to the national economy. After 3 years of hard work to bring order out of chaos, to carry out readjustment and restructuring, the plans and guidance of the state have tallied with the natural law, the economic law and the interests of the state, the collective and the individual, as well as the will of the peasants. Moreover, at present, the production teams and the peasants are enjoying self-management rights and they have derived many methods which integrate the plans and guidance of the state with the self-management rights of the peasants such as the dissemination of the economic contract system. By practicing the economic contract system, the production of the collectives and the individual peasants will coordinate with the state plan.

Furthermore, in proposing taking the planned economy as primary, we are not suggesting that we would "revert" and change the production plans which are getting more rational after 2 years' readjustment. Instead, we must act according to the principle of "not slackening grain production and actively promote the diversified economy." We must consolidate the appropriate measures and suitably readjust those inappropriate ones. In view of the overall situation, we must consolidate the present proportion between the areas sown with grain and those with industrial crops. Thus, it is incorrect to say that stressing planning and guidance is "doing everything in a rigid way regardless of the conditions."

As a matter of fact, in the course of strengthening planning and guidance, due to one-sided understanding, some localities and some cadres might be partial to unhealthy tendencies. They might take strengthening planning and guidance as an excuse and indiscriminately use administrative orders in disregard of the complicated situation. As a result, they would again repeat the mistake of following blind instructions and "doing everything in a rigid way regardless of the conditions." However, so long as we strengthen leadership and carry out the work meticulously, we should be able to prevent and promptly overcome such things. Under the premise of ensuring that the agricultural production of our province will meet the needs of the state, we will be able to have overall development.

#### GUO FENG ATTENDS LIAONING PROPAGANDA FORUM

SK220314 Shenyang Liaoning Provincial Service in Mandarin 1100 GMT 21 Feb 21

[Excerpt] According to our reporter, the Propaganda Department of the Liaoning Provincial CCP Committee on 20 February invited more than 50 comrades of departments directly under the provincial authority and of Shenyang municipality to a forum to discuss and work out plans for conducting a thorough campaign of the "five stresses and four beauties." Guo Feng, first secretary of the provincial CCP committee, and Liu Yiyun, standing committee member of the provincial CCP committee and director of the propaganda department, attended and addressed the forum.

The forum participants pledged to launch the first all-people decorum and courtesy month in urban and rural areas throughout the province in a down-to-earth manner and on a grand scale. They enthusiastically supported the directives of the party Central Committee on conducting a campaign of the "five stresses and four beauties" and considered these directives detailed, concrete and fully suited to the practical situation in the province. They unanimously pledged to conscientiously implement the decision of the party Central Committee on making March the all-people decorum and courtesy month.

#### BRIEFS

LIAONING SWINDLING RING -- Anshan municipality, in Liaoning Province, recently discovered and seized a swindling ring. Eleven persons including ringleader (Shi Zhongjun) were arrested. During the last 6 months, the swindling ring has operated in Liaoning, Heilongjiang, Jilin, Hebei, Zhejiang, Shanghai, Beijing and Tianjin and defrauded 64 units and individuals out of 289,000 yuan and goods worth 62,000 yuan. This case involves 38 government and enterprise cadres and 79 jobless and black-market agents. (Shi) was a commune member in Xinjin County, In June 1980 he illegally moved to Anshan municipality and established a phantom woodworking shop without authorization from the industrial and commercial administrative bureau. He installed himself as plant director and assigned his younger brother and wife as deputy factory director and accountant, respectively. He drew in 12 persons to be section chiefs and another dozen as salesmen. They fabricated seals, recommendation letters, employee's cards and contracts and collaborated with black-marketeers to practice fraud. They entertained lavishly and drew in many cadres to work for them. (Li Jifu), deputy manager of the Anshan No 2 brewery, offered his company's jeep for (Shi) to use and dispatched trucks for him to ship timber he got by fraudulent means. [Shenyang Liaoning Provincial Service in Mandarin 1100 GMT 20 Feb 82 SK]

PREMIER REPORTS ON GOVERNMENT ADMINISTRATION

OW191401 Taipei CNA in English 1337 GMT 19 Feb 82

[Text] Taipei, 19 Feb (CNA) -- Premier Sun Yun-hsuan Friday pledged to uphold a spirit of perseverance, austerity, diligence and renovation in carrying out the government's administrative work.

Delivering an oral report on administration to the first meeting of the 69th Session of the Legislative Yuan, the premier said that the government, following the instructions laid down by President Chiang in his New Year's Day message, will stick to the following guidelines in implementing the government policies in various fields:

1. Reinforce democratic constitutional rule, consolidate the base for our rule of law, rectify political tendencies, carry out administrative renovation and uplift the spiritual life of the people.
2. Remain firmly in the democratic camp, reinforce friendly relations with democratic countries, promote economic and technological cooperation so as to expand the functions of total diplomacy, vigorously bring friendly nations to our side and elevate our position in the world.
3. Augment the combat capability of the armed forces so as to secure our bastion, accelerate development of national defense industry, spare no effort to modernize weaponry and military equipment, expand our activities of political counterattack and prepare for timely action to recover the mainland.
4. Ameliorate the difficulties of business and industry by every possible means under the principle of promoting economic growth and stability, meanwhile accelerating readjustment of the structure of agricultural and industrial production so as to upgrade the economy expeditiously.
5. Encourage the development of culture, education and science and technology, and raise the standard of academic research so as to meet the needs of nation and people in the 80's.
6. Promote social welfare, step up grass-roots improvement and push forward activities of public health and environmental protection so as to build a modern society of peace, harmony, happiness and prosperity.

This year the government laid down a set of priority tasks for step-by-step implementation by subsidiary organizations to implement the foregoing guidelines, enlarge the fruits of development and augment the nation's strength.

In the light of the future needs of nation and society, he said the government have chosen these nine objectives and given the Executive Yuan responsibility for supervision and control so as to speed their attainment:

- Reinforced grass-roots reconstruction to raise the income of farmers.
- Promotion of science and technology so as to elevate their standards.
- Strengthening of culture development to improve the spiritual life of the people.
- Accelerated development of the automotive industry.
- Furtherance of plans for the automation of production.
- Development of the information industry.
- Initiation of technology exports.
- Expedited improvement of scenic spots and national parks to encourage tourism.
- Take advantage of Taiwan's geographic assets so as to transform it into an important center for business, trade, stockpiling, transportation and tourism and capitalize on establishment of the world trade center and the expansion of Kaohsiung and Taichung international seaports.

"To sum up, the principal goal of government administration is to promote national prosperity and wealth, welfare, cultural development and the people's happiness while completing preparations for extending the fruit of our development to the mainland," Premier Sun said.

DUAL NATIONALITY BANNED IN PUBLIC SERVICE

OW170335 Taipei CNA in English 0235 GMT 17 Feb 82

[Text] Taipei, 17 Feb (CNA) -- Those Chinese who have double nationalities will be banned to hold any public post. The incumbent public servants, who are proved having double nationalities, will also be punished, the Executive Yuan said Tuesday in a written answer to Legislator Tuang Chieng-min's question. So far, no public servants hired under the public servants employment law are found to have double nationalities.

The Executive Yuan explained that according to Article 10 of the Nationality Law, any Chinese who has a foreign nationality but still holds a public job before and after the implementation of the Nationality Law should be removed from office by his superior after the status of double nationalities is proved. Therefore, a Chinese, who has a foreign nationality, is unqualified to hold public jobs according to laws, the Executive Yuan indicated.

COMMENTARY ON BAN OF JAPANESE CONSUMER GOODS

OW181207 Taipei International Service in English 0100 GMT 18 Feb 82

[Commentary: "Japan's Trade Ingratitude"]

[Text] The Republic of China announced over the weekend a ban on the import of some 1,500 items of Japanese consumer goods and placed a 1-year moratorium on the import of Japanese trucks and buses over 7 tons chassis. The Republic of China, which always advocates free trade, took the action as a reminder to the Japanese that patience has its limit and that reciprocity is required in trade and everything else in international relations.

Taipei announced the import ban after Tokyo repeatedly ignored the Republic of China's request for serious steps to reduce the widening trade gap between the two countries. Last year the Republic of China suffered a whopping deficit of nearly \$3.5 billion in its trade with Japan out of a two-way total of less than \$9 billion. The cumulative total of the Republic of China's trade deficit with Japan in the last 30 years has far exceeded \$20 billion, nearly the same as the Republic of China's present gross national product.

The Japanese Finance Ministry admitted at the end of last year that about 3/5 of Japan's foreign exchange reserve of over \$28.4 billion were from its trade surplus with free China and that 1 percentage point of economic growth in Taiwan would mean an export growth of 1.82 percent for Japan.

So one may say without exaggeration that Japan's prosperity is built on the sweat and blood of the free Chinese in Taiwan. Yet the Japanese pay no heed to Taipei's urgent appeal for corrective measures to achieve a more balanced bilateral trade. An example of Japan's insincerity is its foot-dragging in honoring its pledge to help the Republic of China boost the export of 14 categories of goods to their country.

Particularly unbearable to free China is that the Japanese are using the money they earned from Taiwan to help its enemy across the Taiwan Strait. Despite Communist China's unilateral cancellation of contracts and other malpractices in international trade, Tokyo has continued to grant easy-term loans to the communists.

In the area of trade, Japan sharply boosted its imports from mainland China last year after Peiping protested a mere trade deficit of \$700 million in 1980. As a result, Communist China had a surplus of some \$300 million in its trade with Japan. No other country has had such luck.

Such being the case, the people of free China have every justification to express their indignation. If the Japanese continue to ignore free China's protest, they had better prepare for further retaliatory measures.

TAIWAN REPORTS INCREASE IN FOREIGN TRADE SURPLUS

OW220449 Taipei CNA in English 0234 GMT 22 Feb 82

[Text] Taipei, Feb. 22 (CNA) -- The Republic of China in 1981 grossed a trade surplus amounting to \$1,413 million, representing an 18-fold increase over the preceding year, the Board of Foreign Trade reported Sunday.

The board attributed the enormous trade surplus to the drastic decline in imports and the lukewarm interest in making investments by domestic industrialists. To cope with this situation, the board has worked out a set of measures, including relaxation of imports and exploration of new markets abroad. In addition, the board will also step up its efforts to complete three goals:

-- Strengthening regulatory matters: This will include proposal of a complete set of legislation on international trade, enactment of trade laws, review of existing rules and regulation and repeal of the out-of-date trade laws, establishment of information system, and computerizing operation.

-- Modernization of management: This will include simplification of export procedures, establishment of trade service centers, and broadening private participation to facilitate decision-making.

-- Personnel specialization: This will include recruitment of experts and professionals to help businessmen and industrialists educate their work force.

Preliminary statistics of the Ministry of Finance indicated that the nation's two-way trade last year totaled \$43.8 billion, showing an increase of 10.8 percent over the previous year. Of the total, exports accounted for \$22,607 million, up \$2,796 million or 14.1 percent over the preceding year, and imports accounted for \$21,193 million, up \$1,460 million or 7.4 percent.

In terms of the export items, industrial products accounted for 92.2 percent and agricultural processed and industrial raw materials accounted for 70.2 percent, capital equipment 24.7 percent, and consumer goods 5.1 percent.

The United States remained the leading trading partner with a two-way trade worth \$12,928 million. It was followed by Japan with \$8,401 million, countries in Southeast Asia, \$5,539 million, Middle East, \$5,489 million, and Europe, \$4,871 million.

ECONOMIST EXPRESSES OPTIMISM ABOUT 1982 ECONOMY

OW180317 Taipei CNA in English 0231 GMT 18 Feb 82

[Text] Taipei, 18 Feb (CNA) -- 1982 is an important year to the Republic of China because through the implementation of the four-year plan and the joint efforts by the government and private sectors, Taiwan's economy can go one step ahead toward the status of the developed nations, Yu Kuo-hua, chairman of the Council for the Economic Planning and Development [CEPD], said Wednesday.

Yu Kuo-hua made the remarks in a speech on "the target, focus and strategy of the four-year economic reconstruction" in his capacity as a Kuomintang member, at the KMT's Central Standing Committee meeting. He said that the six-year economic plan ended at the end of 1981. The CEPD designed a new four-year economic plan, and the "1982 Taiwan economic reconstruction plan" started implementation on 7 January 1982.

The targets of the four-year economic reconstruction plan are: Control the wholesale price growth rate under 7.5 percent, the economic growth rate (the increase rate of real gross national products) at 8 percent per year and, until 1982, the per capita gross national product will reach NT dollars 163,523 (U.S. dollars 4,303) per person.

He said that the industrial sector growth rate was set at 8.5 percent, and the agricultural sector growth rate 2.4 percent, and the service sector 8.3 percent.

The agricultural sector will seek to break through the limitation of agricultural resources and raise agricultural productivity.

The external trade will still be the main forces of the economic growth. The total trade amount is expected to rise from about U.S. dollars 44 billion in 1981 to the U.S. dollars 72.2 billion in 1985, with annual average growth reaching 12 percent.

In the field of transportation and communications, the government will focus on the integrated planning of the transportation and the establishment of the high-efficiency transportation system to offer high-quality services. The growth rate in the sector will be 10 percent.

Urban and regional development will center on the regional integrated planning. It will properly control the over-concentration of population in the metropolitan areas on the one hand and induce the decentralization of the population on the other. In the meantime, the government will emphasize the coordination of the establishment of the urban system, the construction of the urban public work, and the construction of the public housing units as well as the protection of the environment to safeguard the national health and ecological harmony, Yu said.

#### BRIEFS

REFUGEE AID TO INDONESIA -- Jakarta, 19 Feb (CNA) -- On behalf of the Government of the Republic of China, Eng Chuan-liang, chairman of the Chinese Chamber of Commerce to Jakarta, presented to the Red Cross Society of Indonesia 1,000 tons of rice for Vietnamese refugees Friday. The presentation ceremony took place at the headquarters of the Indonesian Commission for the Mitigation and Maintenance of Vietnamese Refugees in Jakarta. Friday's donation brought to 4,000 tons the rice the ROC has donated to Indonesia in the past year. According to a report from New York, as of 1981, ROC's rice donation to Indochinese refugees has reached 70,000 tons, worth more than 23 million U.S. dollars. [Text] [Taipei CNA in English 1409 GMT 19 Feb 82 OW]

SHIPPING LINE TO SOUTH AFRICA -- Taipei, 24 Feb (CNA) -- The first regular Chinese shipping-liners will begin services to South Africa 10 March this year to meet the needs of growing trade between the two countries. Four companies -- Nan Tai Enterprises Co Ltd, Wan Hai Steamship Company Ltd, Yangming Marine Transport Corp, and Char Chin Marine Company Ltd -- will operate the shipping business between the ports of the Republic of China and South Africa. In the initial period, one liner will be scheduled monthly. It will call on South Africa harbors of Durban, Port Elizabeth and Capetown. The shipping service, in line with the government's policy that Chinese products should be transported by national flag-carrying ships, will mark a new step in the history of Chinese shipping business. It is also of great significance in breaking through the monopoly by foreign companies over past years. [Text] [Taipei CNA in English 0245 GMT 24 Feb 82 OW]

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